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# FINANCIAL TIMES

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Friday August 27 1982

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## NEWS SUMMARY

GENERAL BUSINESS

### Glemp calls for Wales's release

Archbishop Josef Glemp, Poland's primate, called for the release of Solidarity leader Lech Walesa before a crowd of 250,000 pilgrims at Czestochowa. He also urged that other internees be freed and that trade union activity should be allowed to resume. But he said Poles suffering under martial law should not take grievances to the streets. "The conference table is the place for talks." Page 2

### Diphtheria victim

A nationwide search began for anyone who came into contact with Isla Johnston, a three-year-old London girl who died of diphtheria.

### Democracy move

Argentine President Reynaldo Bignone was expected to announce political parties in a speech late last night.

### Ulster boycott

The SDLP decision to boycott the proposed Northern Ireland assembly is unlikely to affect devolution plans. Back Page; Editorial comment, Page 10

### Belfast killing

In Belfast, a father of eight has been shot dead, and a policeman was hurt by a booby trap bomb outside an old people's home.

### Police charged

Eight Boston policemen were charged—four with murder—after a bar brawl in which a man died.

### Greenpeace ban

An Amsterdam court barred the Dutch branch of Greenpeace from impeding the dumping of nuclear waste at sea by a Dutch ship.

### Detainee freed

Singapore released Dr Poo Soo Kai, held without trial for 16 years for alleged involvement in Communist activity.

### British leave

The number of Britons taking day trips to France or motoring in western Europe has risen sharply. Page 5

### Spy suspect

The head of the Soviet airline office in Geneva has left Switzerland after police questioned him on suspicion of spying.

### Pakistan 255/8

Pakistan was 255-8 at the end of the first day of the Third Test at Headingley.

### Small change

Police are looking for an Indonesian tourist who changed money at an Edinburgh bank and was given £3,200 by mistake instead of £3.20

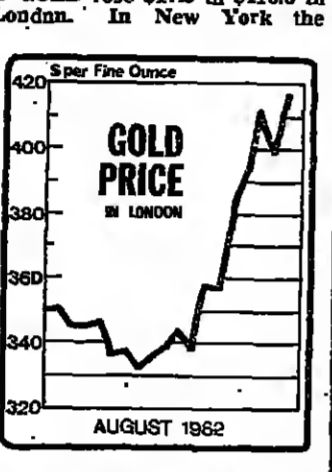
### Suburb of fear

Residents of Edgware, north London, are fighting a plague of giant hamsters, living wild and believed to number thousands.

### Briefly . . .

Hotel staff in the Algarve, Portugal, begin a three-day strike today.  
United Arab Emirates consul general in Bombay escaped a gunman's attack.  
Uganda may return property seized from Asians by dictator Idi Amin in 1972.  
Argentine dockers and seamen struck for more pay.

### Advance for gold; equities add 7.7



**GOLD** rose \$17.5 to \$416.5 in London. In New York it rose \$17.5 to \$408.75. Page 19

**DOLLAR** rose to DM 2.4375 (DM 2.429), FFR 6.8625 (FFR 6.845), SwFr 2.0675 (SwFr 2.048) and ¥253.25 (¥251.1), its trade weighted index was 118.9 (118.5). Page 22

**STERLING** was unchanged at \$1.7608. It rose to DM 4.2925 (DM 4.2775), FFR 12.08 (FFR 12.045) and SwFr 3.64 (SwFr 3.6075). Its trade weighted index was 92.3 (92.2). Page 22

**EQUITIES** improved. The FT 30-share index gained 7.7 to 576.1. Page 21

**GILTS** revised on lower European interest rates. The Government Securities Index slipped 0.04 to 78.09. Page 21

**WALL STREET** was up 13.61 to 898.50 near the close. Page 20

**U.S. TRADE DEFICIT** narrowed to \$2.42bn (£1.37bn) last month, against \$3.44bn in June.

**MEXICO** urged its foreign bank creditors not to call in their lines of credit with private Mexican banks otherwise its bank system could collapse. Page 4

**BRITISH TELECOM** reported record profits of £457.8m in the year to March 31 against £123.9m. Back Page and Lex; BT moves on line for privatisation. Page 5

**SHELL CHEMICALS UK** is to axe 625 jobs at its Carrington petrochemicals complex in Cheshire. Page 6

**NEDERLANDSCHE** Credietbank, fifth largest Dutch bank, is to close 40 of its smaller branches in the next four years with the loss of 400 jobs. Page 17

**CHASE MANHATTAN** Bank said it anticipates no loss from the collapse of security dealer Lombard-Wall.

**RIO TINTO-ZINC** Corporation has shelved work on the Cerro Colorado copper venture in Panama, one of the world's biggest mining projects. Back Page

**OCCIDENTAL PETROLEUM** of the U.S. won the takeover battle for Cities Service with a revised two-stage cash and shares bid worth about \$4.13bn (£2.3bn). Back Page

**LLOYD'S OF LONDON** 1979 underwriting account showed a revised £172m profit, almost unchanged from the previous year. Page 6

**MASSEY FERGUSON**, Canadian farm equipment maker, turned in third quarter losses of \$3m, and warned that the fourth quarter is unlikely to show any improvement. Page 18

## Government refuses to raise offer as nurses reject 7.5%

BY IVO DAWNAY, LABOUR STAFF

THE GOVERNMENT adamantly refused to improve its pay offers to National Health Service workers last night, despite yesterday's overwhelming rejection of a 7.5 per cent rise for nurses by members of the Royal College of Nursing.

In a 45 per cent poll, RCN members—just under half of Britain's nurses—threw out the offer by a two-to-one margin. There is to be an early meeting between RCN officials and Mr Norman Fowler, the Social Services Secretary.

The four-month pay dispute stayed deadlocked after the 11-hour TUC Health Services Committee dismissed an RCN peace proposal calling for fresh talks in return for an end to industrial action.

Instead, the committee revealed plans for a further 24-hour national strike combined with a rally in London and one-hour sympathy stoppages by workers outside the NHS on September 22.

Earlier, the RCN announced details of the result of its ballot on the offer. Of a total membership of about 190,000, 58,000, or 30 per cent of those voting, rejected the offer, against 28,500 for acceptance.

The poll almost exactly reflected an earlier RCN ballot on the Government's original 6.5 per cent offer to nurses, though on a markedly bigger turnout.

Mr Fowler immediately warned that the ballot outcome would not alter the Government's refusal to increase the current offers.

He said: "The offer to the nurses of 7.5 per cent is both fair and reasonable. I therefore regret the result of the Royal College of Nursing's ballot."

"I have already made it clear that there is no question of there being more money available this year. That remains the position, and the ballot does not alter it."

Mr Trevor Clay, the newly elected RCN general secretary, said he was "not in the least surprised" by the outcome of the ballot. He called on the Government to open fresh talks in return for a halt to industrial action.

Asked whether the Government was likely to respond to his appeal, he said: "I don't think a ballot wherein 190,000 nurses vote can be considered irrelevant."

"We believe that the Government must talk now, as one of the most vulnerable sections of the community is at risk."

He dismissed a suggestion that Mr Fowler should resign, but criticised Mr Kenneth Clarke, the Health Minister.

"One of the contributions the Government could make is to stop Health Ministers going round the country and making statements about bringing in the troops. This doesn't really help," said Mr Clay.

The ballot result has clearly bolstered the morale of the TUC-affiliated health service unions, which welcomed the announcement yesterday.

The TUC Health Services Committee accused the Government of handling the dispute incompetently and failing in its "bungling attempts" to divide the nurses from other NHS groups.

"The Secretary of State should act, and act now, and increase the offers to provide a basis for negotiations. If he is not prepared to do that, he should go and make way for someone who will," it said.

The Government was clearly expecting an unfavourable result, but the ballot leaves few avenues open for a compromise settlement of the dispute.

Earlier this week, Mr Clarke underlined the significance of the NHS pay campaign in the light of the forthcoming pay round and its possible ramifications for other public sector employees.

He said the 1979 NHS pay strikes had led to substantial rises, the Clegg comparability commission, high inflation and the current economic crisis.

Nevertheless, sections of the Conservative Party are known to have doubts about the advisability of continuing to resist a group of workers who command a high level of public sympathy.

## Bundesbank discount and Lombard rates cut

By Our Foreign and Financial Staff

THE BUNDESBANK, the West German central bank, cut its discount rate and Lombard rates yesterday in a concerted move with the Swiss and Dutch central banks to stimulate their local economies.

The Bank of England also hinted yesterday that it was prepared to see a further drop in UK bank base rates.

● The Bundesbank cut its discount rate, which has been at a record post-war high for more than two years, from 7.5 per cent to 7 per cent. It also reduced the Lombard rate—the rate at which the Bundesbank lends short-term funds to

## Manville files for protection under bankruptcy code

BY RICHARD LAMBERT IN NEW YORK

MANVILLE CORPORATION of the U.S., the world's biggest manufacturer of asbestos products, yesterday filed for protection from its creditors under Chapter 11 of the Federal Bankruptcy Code.

The largest bankruptcy filing in the U.S. since the early 1930s, the move is the result of a growing number of asbestos health lawsuits being filed against the company. Manville's shares, which are a constituent of the Dow Jones Industrial Average, did not open for trading yesterday.

Mr John McKinney, Manville's chairman, said yesterday that "though our businesses are in good shape, despite this recession, we are completely overwhelmed by the cost of the asbestos health lawsuits filed against us."

"A recent study estimates these may ultimately total about \$2,000 suits and cost more than \$2bn (£1.1bn)."

Manville said that all further proceedings in pending lawsuits and the commencement of all new lawsuits against the company and its affiliates would be automatically stopped by the Chapter 11 filing.

Under Chapter 11, a company is protected from its creditors while it tries to reorganise its financial affairs.

The bankruptcy courts will now set up a committee of claimants to examine Manville's liabilities, and it is thought likely that the litigants will be represented on that body.

Manville added that the filing had been made in order "to preserve the company's continuing operations, protect its assets, and achieve even-handed treatment of asbestos-health lawsuits and the claims of lending institutions and trade creditors."

The company's consolidated assets are put at roughly \$2.2bn, and its liabilities—excluding asbestos health and other product liability claims—total around \$1bn. Its borrowings amount to around \$600m, and its major creditors are thought to include Prudential Insurance which lent \$70m to a forest products subsidiary of Manville, Morgan Guaranty, which said it had lent Manville \$36m, and the Bank of America.

There was no indication yesterday of how creditors or shareholders might emerge from the bankruptcy filing. Mr McKinney stressed that the filing did not constitute a liquidation of the company. It would not lead to any redundancies among its 25,000 employees, and products would continue to be manufactured and shipped as normal.

No litigations have been made in Canada, where the group owns a major asbestos mine in Quebec or for affiliates outside North America. Manville said it would expect to meet its new and continuing obligations to its suppliers and customers while a plan of reorganisation was being formulated.

Health related lawsuits have been piling up against the company in increasing volume in recent years, and new claims are coming in at the rate of around 500 a month. Settling each claim is costing Manville about \$40,000, a sharply higher rate than in previous years.

Manville itself is involved in legal action against several insurance companies in respect of these liabilities, and has protested that the federal government should take responsibility for people injured by asbestos products in shipyards during world war two and later. The industry's attempts to promote federal legislation in respect of the claims have so far met with an success.

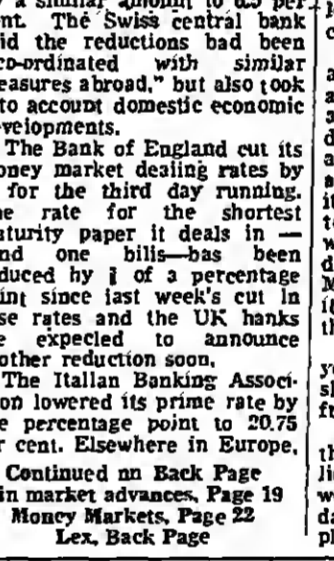
Carla Rapoport writes: Manville's move did further damage yesterday to the already faltering share price of Turner and Newall, the UK's largest manufacturer of asbestos-based products. The shares sank to a record low of 26 1/2p before rallying to 29p, 4p down on the previous day's closing price. The company says that its annual liabilities from victims of asbestos-related diseases are not expected to total more than 1 per cent of turnover, which is running at about \$600m.

Shares in Cape Industries, also a major producer of asbestos-based products, fell 4p yesterday to close at 72p. Mr G. A. Higham, chairman of Cape, said yesterday that he did not expect the number of claims against his company to fall. Last year, the company paid out \$550,000 in claims before.

BBA Group, another manufacturer of asbestos-based products, said its insurance policy fully covered it against future claims.

Manville overwhelmed by lawsuits, Page 15  
Lloyd's results, Page 6

## Interest Rates



## U.S. blacklists French pipeline contractors

BY OUR FOREIGN STAFF

THE U.S. Government yesterday temporarily blacklisted two French companies—a subsidiary of a U.S. company—after natural gas pipeline equipment was loaded for shipment to the Soviet Union in defiance of the U.S. embargo.

The action, announced by the Commerce Department in Washington, forbids Dresser France from receiving any imports from its parent company, Dresser Industries of Dallas.

Also put on the temporary blacklist was Creusot-Loire, the French engineering concern, a prime foreign contractor for the pipeline project.

The temporary denial order means that both parties will be prohibited from receiving all U.S. goods and technology," said a Commerce Department official. "It's a measured response. It could have been a lot tougher. It is hoped this will dissuade other companies from taking similar action."

The order will remain in force until a full investigation of the allegations is completed, he said.

Three compressors made by Dresser France were loaded earlier yesterday on to a ship at Le Havre for delivery to the Soviet port of Riga.

On Tuesday, Dresser said it would fulfil its contract obligations after the French Government ordered it to do so.

Yesterday's order was signed at the direction of President Reagan by a Commerce Department hearing commissioner. The temporary action was made "until the investigation can be completed and we can present facts" to justify permanent penalties, the official said.

The action avoids a direct confrontation with the French Government.

Our Foreign Staff adds: The blacklisting has grave implications for other European companies, in particular John Brown Engineering of Clydebank, which is planning to load the first of its turbines for the Soviet Union next week. A Soviet freighter is due to load over 500 crates of parts on Sunday or Monday.

Both Britain and France have taken legal action to require companies to fulfil the contract. Earlier this month, the UK invoked the Protection of Trading Interests Act, while France has drawn on a 1959 decree enabling the Government to requisition the services of companies or individuals "for the needs of the country."

West Germany, which has no such legislation, has urged its companies to honour their contracts, while Italy has declared it would meet its contractual obligations.

The strength of the U.S. stance was signalled when it continued on Back Page Picture Page 4 Editorial Comment Page 10

## Relief for some Signal Life investors

BY ERIC SHORT

The Hongkong and Shanghai Banking Corporation is to pay \$44m to about 2,000 UK investors holding certain life bonds issued by the Gibraltar-based company, Signal Life Assurance.

A statement by the bank yesterday said that all investors in the two Gold Income Bonds issued by Signal Life would be offered a refund of the money actually received by the trustee, together with interest payments. The Jersey branch of the trustee division of the bank is trustee to the two bonds.

Under this proposal bondholders will receive their original investment back minus any deductions made by the intermediary commission, plus some interest on the investment, the amount of which is yet to be determined.

The Gold Bonds were guaranteed income bonds, with both income payments and the capital repayment guaranteed. Yet the prospectus stated that the money would be invested in surface gold mining production in the Yukon. There is considerable confusion over the operations of Signal Life and the company which marketed its products in the UK, Hanover Financial Services.

The trustee has initiated legal action against Signal Life. Hanover Financial Services and other defendants for a full account of the investment of the bond money and a recovery of any money which has been misapplied.

The authorities in Gibraltar are also investigating the affairs of Signal Life and the company has ceased trading, at least temporarily.

Mr Derek Harrison, an assistant general manager of the bank, who is currently seconded to Jersey, emphasised that the bank was not legally required to make such an offer. But it had become apparent that the legal proceedings would be long and complex, leaving investors uncertain over the future of their bonds. The bank wished to keep this uncertainty to a minimum and had, therefore, made its offer.

Last week, the intermediaries who bought Signal Life bonds on behalf of clients set up the Signal Bondholders Protection Committee. The Committee and its legal representatives were due to meet the trustee and its legal representatives yesterday afternoon. The solicitor for the Committee said later that a statement would be made this morning and was not prepared to comment further.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	
Treas Spc 1994	588 + 1
BBA	32 + 4
FT	332 + 10
Blue Circle	422 + 14
British Aerospace	242 + 6
Cray Electronics	83 + 6
Disasters	200 + 6
Eurotherm New	107pm + 5
Glaxo	770 + 10
GKN	144 + 4
Leisure Inds	133 + 7
Leuchs	85 + 5
Man Agency Music	90 + 6
Roithmans	97 + 5
Stanley (A.G.)	52 + 6
Stonehill	41 + 5
TI	102 + 4
Wooland	145 + 6
BP	286 + 18

FALLS	
LASMO	358 - 18
Shell Transport	406 - 10
Tricentrol	208 - 10
Anglo Amer Crpn	630 - 20
De Beers Dtd	245 - 8
Doornfontein	964 - 85
Free State Geduld	1161 - 11
Geest Tin	85 - 10
Gold Mns Kalgoorlie	285 - 20
Poseidon	188 - 10
Rustenburg	205 - 15
Vaal Reefs	256 - 12
Cape Inds	72 - 4
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EUROPEAN NEWS

OVERSEAS NEWS

Glemp calls for release of Solidarity leader

BY DAVID BUCHAN IN WARSAW



THE HEAD of the Polish Roman Catholic Church, Archbishop Glemp, yesterday called for the release of Mr Lech Walesa, the detained leader of the Solidarity union.

Archbishop Glemp (left): Plea to military regime

The conference table is the place for talks, he said. Archbishop Glemp also called for the release of the 500 internees held without trial and of the even larger number who have received martial law sentences, and for revival of trade union activity. He qualified the last point by saying that unions should "resume, gradually at the beginning, and did not mention Solidarity by name."

It was his most critical statement to several months and it seemed timed—on the eve of the August 31 anniversary—to regain his credibility among Solidarity supporters for his message of non-violence. Archbishop Glemp has come in for increasing criticism for failing to use his religious inalienability to speak out strongly against martial law.

The Interior Minister, delivered a blistering law and order speech on Polish television. He warned that "public order will be ensured" on August 31. "If there have been too few lessons so far, then the provocateurs will get more," he said.

On with the Bonn budget show

By Jonathan Carr in Bonn

THE NEW West German Finance Minister, Herr Manfred Lahnstein, has just learned a bitter lesson. It is that, however hard you try, you cannot stop Bonn's political "theatre of the absurd" from running a continuous show in the summer months.

Tax evasion scandal ends speculation on early Australian poll

By Michael Thompson-Noel in Sydney

THE POLITICAL storm generated by revelations of a tax fraud scandal in Australia has ended speculation that the Government was considering a snap general election to capitalise on last week's "electioneering" budget.

According to the report: "The consequences of the gross negligence in the Crown Solicitor's office are difficult to understand... the loss to the revenue is enormous."

Milan court declares Ambrosiano bankrupt

BY RUPERT CORNWELL IN ROME

ITALY'S MOST spectacular post-war banking collapse was sealed yesterday when a Milan court formally declared bankrupt the old Banco Ambrosiano SpA of Sig Roberto Calvi, who was found dead in London on June 18.

The outcome had been contested until the last by the previous administration of Ambrosiano, headed by Sig Roberto Rosone, deputy chairman and general manager of the old bank. But the court yesterday accepted the petition of the three liquidators appointed by the Italian Government on August 6.

Banko Ambrosiano, they declared, was already "seriously short of liquidity" on June 17, when the Bank of Italy placed the Milan bank, head of what was the country's most powerful privately-owned financial group, under special administration.

The court said that deposits had plunged by 25 per cent after the death of Sig Calvi to stand at the end at only L2,076bn (£859m). Foreign liabilities of the parent bank had risen to \$1,450m (£624m), while the group's collapse was provoked directly by its failure to recover more than \$1.2bn (£502m) lent by Ambrosiano group members to Panamanian front companies, on the strength of letters of patronage issued by the Istituto per le Opere di Religione (IOR), the Vatican bank.

Clean-up for Athens nightlife

ATHENS—Mr Antony Tritsis, the Greek Environment Minister, has ordered a clean-up of the Plaka district of Athens.

His plan calls for discotheques, bars and electronic games centres to move out of the area by the end of next year. "Plaka represents cultural continuity in Athens and we must respect it and protect it from pollution and degradation," he said.

Heads down

Rather than keep their heads well down, the SPD and FDP have risen to the Opposition's bait.

The Opposition Christian Democrats (CDU) have led the summer chorus, insisting that the Government's 1983 budget is based on wholly outdated economic growth estimates.

Dutch Socialists oppose wage indexation

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Labour Party has fallen into line with its main rivals in the general election in two weeks' time by declaring itself against automatic wage-price indexation.

Without the backing of the Labour Party, however, the union's case is greatly weakened and it remains to be seen what revenge they may exact at the polls on September 8. Labour is normally assured of the full backing of the unions.

radical union federation. It has declared itself resolutely opposed to any change and its leadership refuses even to discuss the subject.

smaller left-wing parties, including the Communists. Mr Joop den Uyl, the Labour leader, is well aware of this danger. At a news conference called to explain the party's decision, he said there were several ways in which workers could be compensated for their loss, such as through shorter working hours and a higher say in company management.

Hunted French extremist to give himself up

PARIS—M Jean-Marc Rouillon, the founder and leader of France's most feared extremist group, Action Directe, has written to the authorities saying he intends to give himself up, the police said yesterday.

more than 50 others in France since July 20. A warrant for his arrest was issued two weeks ago after the daily newspaper Liberation published an interview quoting M Rouillon as saying that Action Directe had been responsible for three recent non-fatal terrorist attacks in Paris and denying reports that his organisation had disbanded.

Twenty-two people were wounded in that attack, which the police believe may have been carried out by a Palestinian guerrilla faction.

Directe to 1979 out of a nucleus of members of a radical group which had opposed the late General Francisco Franco in Spain.

Norway cash for jobs

The Norwegian Government has earmarked an extra Nkr 171m (£14.8m) for schemes aimed at preventing an increase in unemployment.

For this year the Government has set a target for a gross national product of between 1 and 1.5 per cent, with stagnation in the first half giving way to upswing in the second.

David White in Paris profiles France's most successful Communist businessman

Farm-goods empire reaps rich harvest

"BOF!" said M Jean-Baptiste Doumeng, using a typically Gallic term of contempt and thrusting a big chin out. The subject of the EEC's trade embargo against Argentina during the Falklands crisis, M Doumeng, chairman of the sprawling farm-goods trading empire Intergra, is scarcely impressed by such trifles.

French have come to expect of the man they know as the "Red Millionaire". He hates the name, but it has stuck. So has the name, but it has stuck. So has the name, but it has stuck.

threat to close down completely, and the party comrades, able to sit down with the CGT (by a coincidence the only union at the company) and get everybody back to work after 10 days. But the incident showed up the fact that not all his interests are financially secure.

One of his more ambitious pet projects, for example, an experimental cattle-fattening ranch run on American lines, has turned out a flop.



Jean-Baptiste Doumeng: "I don't do business, I practise geopolitics"

And there's only me doing it." His latest projects include gold mines, forestry in the Congo—and a Franco-Romanian tractor with which he plans to undertake a series of new security measures, including a computerised anti-terrorist information centre, stricter border controls and the appointment of a Cabinet-level Secretary for Public Security.

It was he whom Moscow chose as its favourite mid-eastern, and he cashed in spectacularly on the Soviet market for surplus grain, meat and dairy products. But he has since branched out into other fields: oil, fertilisers, business jets, capital goods.

Intergra, he said, was now in 64 countries, "even the U.S." The Soviet Union, which used to make up three-quarters of turnover, now accounted for only a quarter.

EDITAL DE CONCORDANCIA INTERNACIONAL... A COMPANHIA RODoviARIA DE SAO PAULO... EDITAL DE CONCORDANCIA INTERNACIONAL...

Honest answer

The honest answer is that no one can make a cast-iron assessment of growth when so many conflicting elements are at work. On the negative side there is falling export demand, the threat of growing trade disruption for political reasons, high unemployment and low business confidence.

On the positive side, the current account deficit has almost been eliminated, the D-Mark has strengthened against all currencies (except the dollar), inflation should be under 5 per cent at an annual rate by year's end, wage settlements this year were reasonable and the earnings account deficit is tending to improve—admittedly after a period of falling very sharply.

The Government's projections have not been markedly out of line with those of most economic institutes. The leading banks and the OECD. But one of the big problems of the Finance Minister lies in timing the passage of the Federal Budget. In order for the budget to become law for next year, it has to be through all parliamentary hurdles by December.

Mr William Hayden, opposition leader

Mr Billy "The Texan" Longley, a former Painter and Decker and a convicted murderer, told the Commission that about 1958 and 1959, 30 to 40 people "did not survive" a power struggle within the union.

The violence reached its peak in 1979, when four union members—all professional criminals—were murdered. The union, said Mr Costigan, had a "positive" policy of recruiting hardened criminals, while there was evidence that robbery and violence were continuing unabated.

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# Italian troops move in to aid PLO evacuation

BEIRUT—A contingent of 250 Italian troops and 450 French reinforcements landed in Beirut yesterday to join U.S. Marines in overseeing the evacuation of Palestinian guerrillas from Beirut.

The Syrian army, meanwhile, sent 61 trucks and tank carriers across Israeli lines to West Beirut. They are to be a two-day overland evacuation today of 3,500 troops and officers of the Syrian-commanded Palestine Liberation Army (PLA) to Syria under French escort, an Israeli army spokesman in Lebanon said.

Lebanon's state radio and the Syrian Government had said earlier that the PLA evacuation on the international highway which links Beirut with Damascus was to begin at noon yesterday. But an Israeli military spokesman said yesterday's land evacuation was cancelled.

Syrian officials said in Damascus that the PLA's overland evacuation had been delayed until today because the Syrian command wanted Israeli-backed Christian militiamen completely cleared from the Beirut-Damascus highway before the departure begins.

Another Israeli spokesman, Col. Yehiel Ben-Zvi, said a further stage of the overland evacuation—the Palestinian Liberation Organisation (PLO)—which has to begin Wednesday was cancelled "because the multinational force suggest it be postponed. The sea evacuation has been going on smoothly so they saw no reason to change."

A truck convoy carrying about 500 PLO guerrillas was waiting at the U.S.-controlled western entrance of the port at mid-day yesterday for sea evacuation to the Syrian port of Tartous. This group will be the second to make the sea journey to Syria.

There has been a sharp decrease in farewell shooting as the convoy moved out from a new assembly centre at the Lebanese Education Ministry

compound. Mr Salah Khalaf, the PLO security chief, better known as Abu Iyad said the assembly centre has moved from the municipal stadium to its new position to reduce the level of gunfire salutes.

Lt Col Robert Johnston of the U.S. marines said commanders of the American contingent had correct contact with the PLO leadership "on Wednesday and meeting was arranged in make sure there was no shouting once the guerrillas reach the port area."

"We have clearly defined boundaries and they (the guerrillas) co-operated and we had no problems," Lt Col Johnston said.

Lebanese police said nine civilians have been killed and 27 wounded in farewell fusillades staged daily by left-wing Lebanese militiamen for arms departing comrades-in-arms since the evacuation began on Saturday.

Police said five people were also killed and 19 wounded since Monday in wild shooting sprees, celebrating the election of 34-year-old Christian militia commander Mr Bashir Gemayel as Lebanon's next President, in Christian-populated East Beirut.

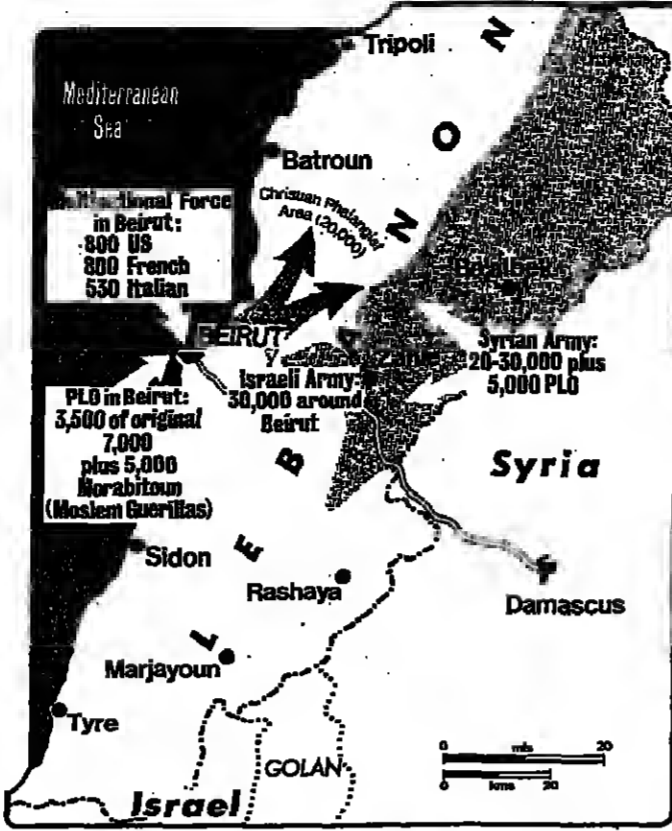
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## Israel in Soviet overture

TEL AVIV—Mr Yitzhak Shamir, Israeli Foreign Minister, has invited the Soviet Union to restore diplomatic relations with Israel, Israeli radio reported yesterday.

Mr Shamir said: "Israel is not interested in poor relations with any State, including the Soviet Union. But the initiative must come from it."

If it wants to restore relations then it should take the initiative."

Soviet-Israeli relations were severed in 1967 after the Six Day War.

Mr Shamir also said Israel would withdraw from Lebanon "as soon as all Syrian forces had gone."

AP

# Patrick Cockburn, in Jerusalem, assesses the mood on the West Bank Defiant Palestinians fear for future

"WEST BANKERS are in a state of shock," said a diplomat in Jerusalem this week. "They haven't really got over what happened in Lebanon." The 1.1m Palestinians on the West Bank and in Gaza are still unclear how the departure of the Palestinian Liberation Organisation from West Beirut will affect them.

The mood of the West Bank is important because a greater measure of autonomy for the Palestinians living in areas captured by Israel in 1967 is likely to be at the centre of the new peace initiative promised by Washington.

There is, however, little optimism among Palestinians that U.S. proposals will really change very much. Mr Elias Freij, the mayor of Bethlehem and one of the few municipal leaders not dismissed by the Israelis, says that he is "sceptical" about the U.S. initiative.

Palestinians, much like Israelis, are still unclear in their own minds about the eventual political fall-out of the war in Lebanon. "The PLO's prestige is higher than ever, though its political organisation is very limited," says a diplomat in close contact with local feelings. West Bankers express pride that for the first time since 1948 it is the Palestinians who have fought the Israeli army and not some Arab régime.

The obverse of this is a deep

bitterness against the Arab régimes for failing to give any support to the PLO in Lebanon. "I no longer call myself an Arab, but only a Palestinian," said a PLO supporter in East Jerusalem. "I cannot bear to listen to any Arab leader, progressive or reactionary, speak on the radio. Arab nationalism is dead. They all betrayed us."

But, aside from expressions of defiance, Palestinian leaders view the future sombrely. There is no sign of any flexibility on the part of Mr Menahem Begin's government over autonomy, which it is only prepared to examine within the narrow confines of its own interpretation of the Camp David accords. For Mr Begin the West Bank is Judea and Samaria, parts of the historic land of Israel, whose retention is an ideological commitment not to be compromised.

Already this year nine mayors have been dismissed by the Israeli authorities, the last being Mr Rashid Shawwa, the extremely moderate mayor of Gaza. Mr Karim Khalaf, dismissed as mayor of Ramallah and exiled to Jericho for the last five months, points to changes in U.S. and European attitudes towards the Palestinians since the invasion of Lebanon started. But behind the defiance there is a weariness, almost a hopelessness, that anything will improve.

Mr Yitzhak Shamir, the

Israeli Foreign Minister, says that now is the time to resume negotiations on autonomy. He suggests that democratic elections will be held for the establishment of an administrative council in the occupied territories.

This, however, appears to be an effort primarily to deflect the U.S. from any radical proposals on autonomy, say diplomats. An administrative council will not affect the basic issue of sovereignty.

New Israeli settlements have continued to be established since the start of the 1967 war. There are at least 24,000 settlers on the West Bank and the Government makes no secret of its desire to increase their number. In the Jordan valley plain north of Jericho 50 per cent of the arable land is now held by Israeli settlers, says a Palestinian agricultural expert.

The prolonged rioting on the West Bank in the spring of this year seems to have made little impact on the Israeli authorities. The effort to replace the municipal leadership elected during the 1970s with more malleable Palestinians continues, but without much success. The Village Leagues, set up by Mr Menahem Mison, the West Bank administrator, have established little credibility and are often discredited locally by the recruitment of a petty criminal fringe. Nevertheless many municipal

functions are now discharged by Village Leagues, whose members are armed by the Government. In Battir village outside Bethlehem, for instance, local people were unable to get permits to cross into Jordan because they had refused to join the Village League. In another village nobody was able to register the birth of children for the same reason.

The official Government claim is that, with the departure of the PLO from Beirut, local Palestinians will, free from intimidation, be more willing to co-operate with the authorities. This is discounted by diplomats who say that the PLO is stronger than before and, in any case, moderate Palestinian leaders who might be persuaded to be more accommodating are being offered nothing in return.

Unfortunately for Washington, President Ronald Reagan's highly publicised success in ending the bombardment of Beirut by expressing his outrage on the phone to Mr Begin has created somewhat exaggerated notions about the extent of U.S. influence on the Israeli Government. The bombardment of Beirut was a tactical matter. For Mr Begin the West Bank is a wholly different issue of principle on which he cannot, and will not, compromise.

# Japan in move to solve textbook row

BY RICHARD HANSON IN TOKYO

THE Japanese Government yesterday offered assurances of its commitment to "peaceful nation building" in an attempt to resolve a bitter diplomatic dispute with China and South Korea over revisions made in Japanese history textbooks.

Tokyo did not, however, offer to make immediate changes to revisions in passages describing Japanese behaviour before and during World War Two. China and South Korea have demanded such alterations.

The Ministry of Education, which oversees the writing of school books, went only so far as to commit itself to bringing forward the next review of the textbooks in question, by one year, to 1985.

In the meantime, the Education Ministry will issue a decree to all schools to assure that the "spirit" of Japan as a peaceful nation is conveyed in classrooms.

The textbook issue exploded as a diplomatic problem after it was reported that the Education Ministry had "advised" changes in the textbooks which tend to put Japanese acts in a less critical light. The Japanese invasion of northern China "was made to read 'advance'". Similarly a description of Korean labourers being forcibly sent to Japan was changed to read "mobilised".

The fury created in China has led to the most serious crisis in bilateral relations since friendly relations were re-established 10 years ago. Japan is understandably anxious to resolve the problem before the Prime Minister, Mr Zenko Suzuki, travels to China late next month on a state visit.

Finding a solution to the

problem, however, has been made difficult by divisions within the Japanese Government and the ruling Liberal Democratic Party (LDP). The Education Ministry has resisted any attempts to tamper with its textbook approval system, with the support of many conservatives in the LDP. Yesterday's statement by Mr Kiichi Miyazawa, the Chief Cabinet Secretary, was therefore kept fairly low key and, as one official put it, "abstract".

Mr Miyazawa repeated assurances that the Japanese Government is fully aware of what Japan did to other countries before and during the war. The Government's position of repenting those actions should "obviously be respected in Japanese education and textbook authorisation," he said. Japan formally apologised and repented its past actions in China in a 1972 joint communiqué restoring diplomatic relations.

There has so far been no official reaction to the statement from China or South Korea. The Japanese Defence Agency has drawn up a 2.8 trillion (million million) yen (£8.29bn) budget proposal for fiscal 1983 that would amount to a 7.346 per cent increase over the budget for 1982, AP reports from Tokyo.

The request, to be submitted to the Finance Ministry for evaluation, covers the first year of a recently proposed five-year plan for military procurements. It calls for expenditure totalling ¥1.57 trillion for arms, equipment, maintenance and research, and development. Eisuke Tsurutani, Defence Agency spokesman, said.

compared with over 40m at a peak in 1973. The shutdowns will not involve any lay-offs because employees will be moved to other sectors.

The steel industry has been squeezed by both sluggish demand in the domestic market and in key overseas markets, forcing companies to economise and cut production. The latest closures will mean that by next year, Japan will be operating only 40 of the 65 it has built.

The furnaces being closed, however, are the smaller and therefore less efficient ones. Despite the recession, the industry plans to spend a huge amount this year on new plant and equipment. Nippon Steel says that it may cut back on an original plan to invest ¥310bn (5697m) on a construction basis. But that figure is already ¥90bn higher than spending in 1981.

# Nippon Steel to close two further blast furnaces

BY OUR TOKYO CORRESPONDENT

NIPPON STEEL, the world's largest integrated steel producer, will close down two more of its blast furnaces to cope with the worst slump in demand in over a decade.

After the shutdowns, expected later this year, the company will be operating only 13 of its 25 blast furnaces.

Steel production in Japan is now likely to drop below the 100m tonne annual level for the first time since 1971. Steel analysts say this is very near the break-even point for the industry, and about 60 per cent of total capacity.

Nippon Steel's decision follows the shutdown of one blast furnace this month at Kawasaki Steel's Chiba works. Nippon Steel is closing one furnace at its Muroran works in Hokkaido, and one at the Hirakata works in central Japan. The company's production this year will probably fall to 28m tonnes,

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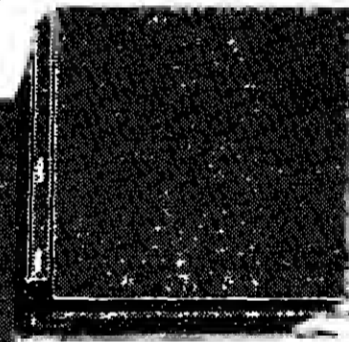
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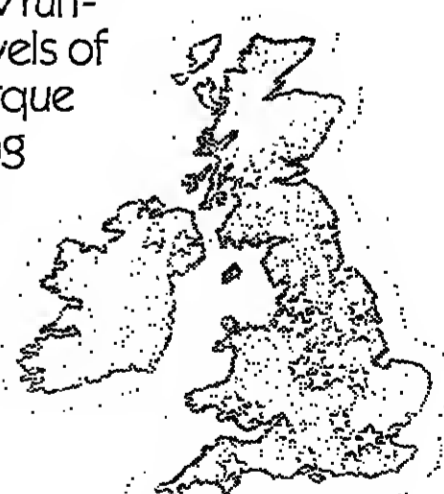
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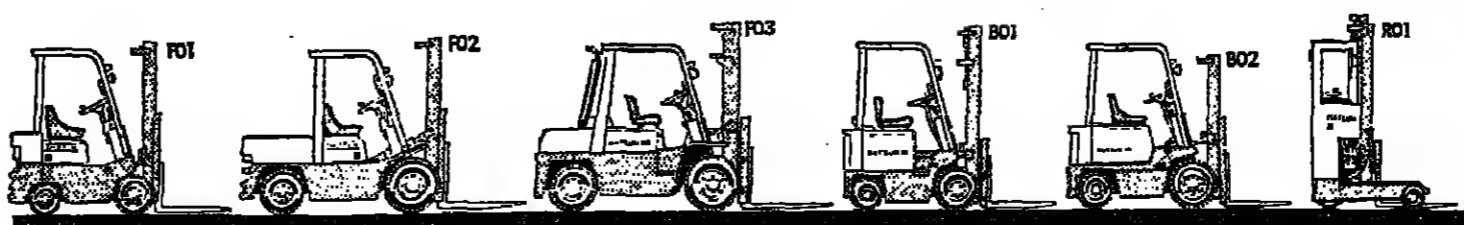
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AMERICAN NEWS

Mexico calls for support over banking system

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO'S Government has strongly urged its 300 foreign bank creditors not to call in their lines of credit with private Mexican banks...

Kentucky reins in its mint juleps

By Our U.S. Editor in Washington

DEMOCRATIC Governor John Y. Brown of Kentucky has somewhat belatedly discovered what South African apartheid is all about...

World Bank optimistic over Third World's resilience

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

—REGINALD DALE, U.S. EDITOR IN WASHINGTON—DESPITE continuing world recession, the World Bank finds "some reasons for optimism on the economic scene" in its annual report published today...

etary Fund, which published its annual report earlier this week, the bank says that for the industrial countries as a group, 1982 is likely to be the third consecutive year of very low growth...

Mexico's 7.5 per cent 1981 combined current account deficit of the developing countries. Towards the end of 1980, however, this relative slowdown began to reverse itself...

The bank borrowed \$2.5bn in capital markets in fiscal 1982, an increase of \$3.4bn over fiscal 1981. Co-financing of bank-assisted projects and programmes totalled \$7.4bn...

The most active bank borrowers in fiscal 1982 were India, at just under \$1.5bn, Indonesia, \$925m, and Brazil, \$722m. Most active borrowers from IDA were India, \$260m, Bangladesh, \$201m, and Pakistan, \$171m.

Pledge on Argentina's economy

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S new Economy Minister, Sr Jorge Webe, has promised that there will be no "abrupt changes" in economic policy, that he will "tackle the issue of the foreign debt" and that he will lead a delegation in the annual meeting of the IMF at the beginning of September.

cern both in the U.S. and in Britain that Argentina's political troubles may undermine an early solution to its debt obligation. A widespread feeling in Buenos Aires yesterday was that Sr Webe was facing an uphill task in reconciling the political pressures building around the Argentine Government with a normalisation of economic relations with Britain...

Within the armed forces, nationalist elements opposed to a more conciliatory attitude towards Britain over the issue of economic sanctions are believed to have gathered strength with the resignation on Tuesday of Sr Webe's predecessor, Sr Domingo Pastore.

IMF forecast gloomy

BY OUR U.S. EDITOR

THE International Monetary Fund has prepared private forecasts for next month's annual meeting in Toronto suggesting that real growth in the industrial countries will only reach about 0.3 per cent this year, followed by no more than a modest uptick in 1983.

1981 and the 1.3 per cent rise in 1982. The fund's forecast for the U.S. is considerably more pessimistic than the Reagan Administration's official estimate, which puts the U.S. growth rate in 1982 at minus 0.7 per cent, recovering to over 4 per cent in 1983.

Canada foreign investment rethink call

By Victor Mackie in Ottawa

CANADA'S provincial premiers are launching an attack on the federal Government's restrictive policy towards foreign investment in Canada. At a premiers' conference in Halifax most of the premiers called for either the abolition of the Foreign Investment Review Agency (FIRA) in Ottawa, or for a change in its procedures.

Doreen Gillespie in Lima reports on pressures behind the two-year-old democracy's state of emergency

Escalating terrorism poses dilemma for Peru

THE Peruvian Government has criticised international news coverage of the country's recent terrorist activity and police arrests. A week ago the Government declared a state of emergency in the capital, Lima, and the nearby port of Callao.

to emphasise the Government's "firm stand within the law to put an end to unpatriotic actions." The Government is faced with a dilemma. How to take a tough stand in response to growing local indignation against terrorist acts, and yet maintain its reputation as one of the leading democracies in South America.

President Belaunde said: "Society ought to apply the proper proceedings against those who sentence people to death and execute them." One of the problems is the cohesiveness of terrorist leaders. A number of alleged leaders were arrested earlier this month, and the authorities claimed to have broken the party's cells in Lima, but it is claimed only the small fry have been caught.

an attack three days ago on a police post in the Andean town of Vicosuamán claimed the biggest number of deaths. The attack involving 150 heavily armed citizens, left six policemen and an estimated 20 guerrillas dead. Local bankers, meanwhile, say they are more worried about Peru's economic situation. The Government is living increasingly off foreign borrowing as it struggles with an unwieldy fiscal deficit, an official inflation rate of 30 per cent and a recession caused partly by low world prices for most of Peru's exports.

President Belaunde... refused to call out the army

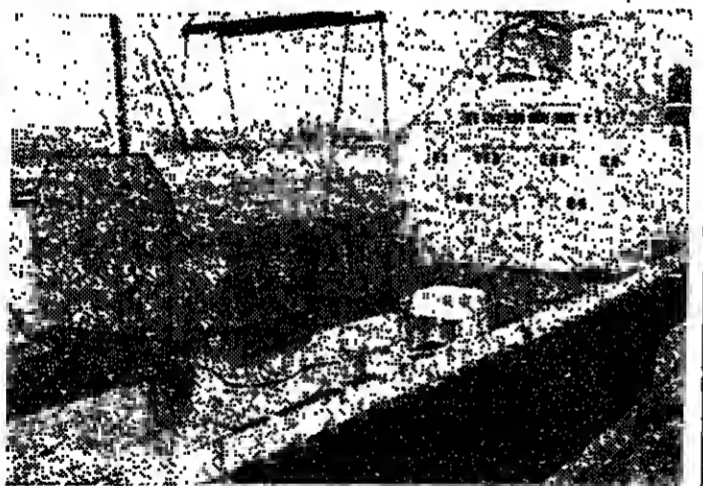


AUGUSTO PINOCHET'S military regime has announced a massive public works plan at a monthly cost of roughly \$3.5m (\$25m), intended to allay Chile's rising unemployment. The programme would create approximately 100,000 new jobs in forestry, housing and other social projects, but would be implemented "under... the strictest fiscal discipline," according to the Under-Secretary of the Interior, Ramon Suarez.

John Brown to load Soviet pipeline turbines next week

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

JOHN BROWN Engineering of Clydebank will be departing for the first of its turbines for the Soviet gas pipeline are loaded at Glasgow docks next week. A Soviet freighter is due to load over 500 crates at the King George VI dock on Sunday or Monday. They will contain parts for the first six of the 21 turbines ordered from John Brown in a £104m contract.



Compressors intended to be used on the trans-Siberian gas pipeline are loaded aboard the cargo ship Borodine in La Havre harbour.

Fluor Corp. subsidiary wins Dubai contract

A SUBSIDIARY of Fluor Corporation has been awarded a \$200m (£117m) contract by Arco Dubai for the first phase of an oil and gas processing facility at Arco's Margham field in Dubai, United Arab Emirates, Our World Trade Staff writes. Arco Dubai is a subsidiary of Los Angeles-based Atlantic Richfield Company and is operator for the project in partnership with British Petroleum and the British National Oil Corporation.

Taiwan crack-down on counterfeits

AMENDMENTS TO Taiwan's trademark law, which would raise the maximum penalty for manufacturing counterfeit products to five years in prison, are likely to be passed by the end of the year. The amendments, first proposed in February, have been seen by angry European and U.S. manufacturers as a test of the Taiwan Government's determination to stamp out counterfeiting. And observers were distressed when the law did not get through the legislature in the spring, as Government officials initially suggested it would.

Estimates of the value of counterfeit products made in Taiwan are impossible to come by. But British manufacturers believe they may be losing £100m a year, especially in Third World markets, as a result. Important in the overall volume of exports, and an increasingly embarrassing nuisance to the Government. Estimates of the value of counterfeit products made in Taiwan are, given the clandestine nature of such operations, impossible to come by. British manufacturers estimate they alone may be losing £100m per year from counterfeit competition to the image of the republic. Until last year, there was no effective control over counterfeiting. Anyone caught faced a maximum two-year prison sentence, but the courts tended to hand down shorter terms that could be commuted to nominal fines. The Taiwan authorities have always claimed that in most cases the local manufacturer was unaware he was doing anything illegal; he was merely filling an order from a foreign buyer.

Also, the courts were instructed to band down maximum prison sentences that could not be commuted to fines. These measures have had some effect. "There have been cases of people losing their export permits and being put in jail," one European trade official in Taiwan said. The flow of counterfeit goods appears to have declined but there remains a strong core of producers who operate underground and smuggle their goods out of the country. In May, 1981, a specialised investigative group was set up, but it had no power to make raids. Earlier this year, the police were brought in to help in the investigations, and the rate of prosecutions has been rising. Meanwhile, the Board of Foreign Trade is considering launching a major information programme aimed at small manufacturers. "We have got to explain to them how silly it is to counterfeit," Mr Vincent Siew, director general of the board, said. Indeed, it is true that the quality of Taiwan products is world competitive, then there would be more profit in making local branded goods than in clandestine copies.

EEC cautious on steel ruling

BRUSSELS—EEC officials yesterday reacted cautiously to a ruling by the U.S. Commerce Department that six European countries unfairly subsidised carbon steel exports to the U.S. The Commerce Department ruling issued on Wednesday opened the way for possible imposition of penalty duties on steel imports that has soured Transatlantic trade relations. The ruling cut earlier estimates of the maximum extent of the subsidies from 40 per cent to 26 per cent, the value of certain steel imports, which was welcomed by EEC officials. They said, however, that this did not alter the basic differences between the Community and the U.S.

The department found that steel imports from Britain, Belgium, France and Italy were most heavily subsidised, with subsidies below 2 per cent applied to some steel from West Germany and Luxembourg. Expected Community officials, who said the ruling had been expected, noted approvingly that the U.S. Commerce Secretary, Mr Malcolm Baldrige, had again advised U.S. industry to accept a Community programme of steel export restraints. The programme, negotiated earlier this month after protracted talks between the Community and U.S. officials, would limit Community exports of 11 steel products to 5.75 per cent of the U.S. market from October 1 to the end of 1985. The plan would have meant a cut in Community exports of affected products of about 10 per cent from 1981 levels, but the U.S. steel companies so far have rejected it, preferring to push ahead with Court action against the West Europeans. While this wrangling goes on, Community officials take the view that the export limitation accord remains on the table until Washington officially notifies it otherwise. Reuters

Iran turbine deal AEG-Kanis GmbH, a turbine manufacturing unit of West Germany's troubled AEG-Telefunken AG, has received a DM 65m (£14m) order from Iran, AP-DJ reports from Essen. The company said Tavariz, Iran's state energy production and distribution company, placed an order for delivery next year of four gas-turbine power generating units. Under the new agreement, Fancu will begin selling its own products in some unspecified European countries, with Siemens continuing to sell in others. In some parts of Asia, where Fancu had an exclusive sales agreement for some Siemens products, Siemens will begin handling its own sales.

Fancu-Siemens pact

FANUC, the world's leading maker of numerical control systems for machine tools, has agreed with Siemens of West Germany, to enter a new 10-year sales contract, Richard Hanson reports from Tokyo. Under the new agreement, Fancu will begin selling its own products in some unspecified European countries, with Siemens continuing to sell in others. In some parts of Asia, where Fancu had an exclusive sales agreement for some Siemens products, Siemens will begin handling its own sales.

Swiss engineering orders fall to record low

BY JOHN WICKS IN ZURICH THE WORLD RECESSION is weighing heavily on the Swiss engineering industry, whose order volumes, two thirds of which are exported, have fallen to the lowest point in recent memory. According to the country's Association of Machinery Manufacturers (VSM), orders on hand by domestic and overseas customers through the end of June represented only 0.2 months' production. This is well below the average throughout time for the industry and is indicative of the industry's declining backlog of equipment. In value terms, total new-order volume booked by 200 VSM member companies—responsible for about 90 per cent of overall production of the Swiss machinery and metals in-

Saudis award £75m order to Indian consortium

RIYADH—The Indian Overseas Construction Consortium (IOCC) has won an SR 450m (£75m) contract to build 376 villas for the Saudi internal security forces in Tabuk. The two-year contract signed recently between the Saudi Interior Ministry and the consortium includes construction of schools, three hospitals, a health centre, a mosque and a utility building. A Consortium official was quoted in local press reports as saying that the project involved 1,400 skilled and unskilled labourers from India. About 10 Indian companies are associated with the project among which Volas and Gammon India are prominent. The complex will be centrally air-conditioned and the project also involves setting up four generators with an output of

10 MW, an official said. Gammon Pakistan has won a Saudi Riyal 165m (£27.5m) contract to build the "Ahl" sports complex in Jeddah. The sports complex is spread over an area of 75,000 sq metres and is due to be completed in 22 months. AP-DJ reports from Washington: The Indian Rayon Corporation, a diversified textile manufacturing company will expand its operations into cement production with the construction of a \$45.2m (£25m) plant at Mahesh, India, the International Finance Corporation (IFC) said yesterday. The IFC, a World Bank affiliate, will provide part of the financing for the new venture. IFC approved a loan of about \$5.5m denominated in West German D-marks for the project.

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BT moves on line for privatisation

Guy de Jonquieres examines how British Telecom's results could affect its future

BRITISH TELECOM has weathered with some panache the first phase of the Government's programme to remove its monopoly.

Its record 1981-82 profit of £437.8m is a dramatic improvement over the previous year, when its poor performance earned a public rebuke from the industry Department.

The results would have looked better still if BT had not written off costs of £127m against income in a change of accounting policy. Nonetheless, it exceeded handsomely the Treasury's financial target, which it last met in 1979, though the pre-tax margin is disputed by the Government.

The results—achieved during the recession, which has caused its business to grow more slowly than planned—prompt some modest self-congratulation in BT's report and accounts. With an eye to the Government's plans to privatise BT, Sir George Jefferson, its chairman, comments: "The level of profits is broadly in line with that necessary to ensure a sound trading position."

But the figures will probably be interpreted in a less charitable light by subscribers. Sir George says that BT has had to raise a 45 per cent rise in tariffs since 1980 and face a further 3.3 per cent rise in November.

Higher tariffs accounted for £259m of the £461m increase in profit before special charges. BT hopes to keep future tariff rises below the inflation rate but it warns that its recent policy of aligning its charges more closely with costs will mean that charges for residential customers will continue to rise more rapidly than those for business customers.

BT argues, with considerable justification, that it must finance its investment spending mainly out of higher tariffs

while the Government continues to curb its borrowing. It seems to have overdone the argument last year, however. It failed to achieve its planned investment of almost £2bn and, as a result, used only £250m of its £380m external financing limit (EFL). It had originally asked for an EFL of £500m.

Nor are BT's customers likely to be impressed much by some of its claims to have improved efficiency. For instance, under the heading Staff Contribution, Sir George singles out for special praise a "dramatic reduction" in the optional waiting list from 122,000 to 20,000 during the year.

However, closer inspection of the list is of would-be subscribers to whom BT is unable to provide service in less than two months. Some appear to have voted with their feet—demands for new exchange lines fell last year by 165,000, almost 11 per cent.

Nonetheless, under the spur of prospective competition, BT has sought to tackle a number of the weaknesses for which it has been widely criticised in past years.

Since he became chairman in 1980, Sir George has instituted a major internal re-organisation designed to break down BT's monolithic and centralised management structure.

A major priority has been to re-organise its main operations into independent profit centres. Public telecommunications activities have been reshaped and a new division has been formed to handle the supply of subscriber equipment and services on the newly competitive market.

Sir George has also declared his determination to get to grips with costs. He has imposed a recruitment freeze and called for a 25 per cent increase in productivity over three years. Last year, real unit costs were reduced by 2.1 per cent and Sir George argues that the full benefits will only start to show towards the end of the three-year programme.

He and his senior managers are widely praised in the industry for their competence and energy but doubts persist about how long it will take for what Sir George calls the new spirit of enterprise to filter down through the rest of the organisation's 246,000 staff. In spite of the new regime, there seems to have been little reduction in the volume of customer complaints about delays and poor service.

Sir George makes it clear that he would have liked longer to adjust to liberalisation before having to cope with the consequences of the Government's plan to sell 51 per cent of BT to private investors. He also expresses concern that the rules under which a privatised BT will have to operate have been left imprecise.

The Government proposes to introduce broad enabling legislation for the share sale next

autumn, though the sale would not be held until after the next general election. The legislation would provide for some measures to be taken before the election—notably the creation of an Office of Telecommunications to monitor the market—many details are still unclear.

High among the uncertainties is how BT's tariffs would be set after privatisation. Supposedly, the organisation would be free to fix its own charges, subject to the approval of the Office of Telecommunications. However, the exact mechanism and the type of yardstick which the office would use to judge suitable rates of return, have not been spelled out.

That is a point on which prospective investors in BT will want definite answers. So, too, does BT. While the issue remains confused, last year's results can shed little useful light on what kind of financial performance future purchasers of shares in BT would be entitled to expect.

HIGHLIGHTS FROM B TELECOM RESULTS (in £m)

Table with 3 columns: 1980/81 (revised), 1981/82, and a column for 1982/83. Rows include Turnover, Operating costs, Net interest, Profit, Net fixed assets at historical cost, and Capital employed.

Turnover 4,554.2 5,708.1
Operating costs 3,811.6 4,701.6
Net interest payable 538.7 548.7
Profit 1,212.9 457.8
Net fixed assets at historical cost 7,047.1 7,901.3
Capital employed 14,574.4 15,285.4

Fire damage claims up 22% so far this year

By Eric Short

THE FIRE at the Civil Service Store in the Strand, central London last month cost £13.4m, the largest fire damage claim since the £31m fire at Alexandra Palace two years ago, according to the British Insurance Association.

The fire accounted for over one third of the total fire damage cost for July, which was £39.7m—£3.5m higher than June, and £15m higher than July last year.

This brought total fire damage costs for the first seven months of 1982 to £237.2m, which is 22 per cent higher than the £193.4m damage for the corresponding last year.

Damage in two other large fires last month, exceeded £1m each. A fire at a catering equipment manufacturer in North West England cost £1.5m, and a warehouse in South East England cost £1.1m.

It is no secret that the BTA views the British habit of holidaying overseas with considerable alarm.

No sooner had Sir Henry

Faulty foreign plugs warning

Faulty electric plugs from India and Hong Kong may be a fire risk, Mr John Heddie, Tory MP for Lislefield and Tamworth, warned yesterday.

He is calling for a Government inquiry into sales of 13 amp plugs with markings Flora or Flora BS 1363 made in India, and numbers R5387 and R5388 with a bird symbol or 1350 with a bird symbol made in Hong Kong.

'Stay in Britain' campaign starts row between tourism authorities

BY ARTHUR SANDLES

A MAJOR disagreement has arisen between Sir Henry Marking, chairman of the British Tourist Authority, and Mr Michael Montague, chairman of the English Tourist Board, over the BTA's wish to run a Stay in Britain campaign.

Behind the row lies the fact that Mr Iain Sproat, the Trade Minister responsible for tourism, is conducting a review of tourism in Britain. Tourist boards and the BTA itself feel themselves under threat.

There was a hint of the argument in public yesterday when Sir Henry told a Press conference that although the BTA had powers to market tourism both in Britain and abroad, it had agreed in 1972 not to do so, leaving the domestic role largely to the English, Scottish and Welsh boards.

He said the Minister "might wish to examine" that position—a thinly disguised reiteration of the BTA view that what it has done abroad successfully it can do in Britain too.

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made his point than Mr Montague reminded Sir Henry that allowing the BTA to operate in the UK was not a plan entirely supported in the industry. Mr Montague, like other tourist board chairmen, sits on the BTA board.

He said that if the BTA were allowed to operate in the UK it would increase the present overlap and be "a waste of public money."

The BTA's annual report shows that foreign visitors spent a record £3,850m in the UK last year, some £100m more than in 1980.

The percentage rise in numbers was higher, up by 8 per cent to 11.5m. "This was disappointing," said Sir Henry, "but not disastrous. It was almost entirely to fewer short visits from neighbouring European countries."

The report points to the considerable benefits of tourism to the economy, saying that it employs 1.5m people directly or indirectly.

Sir Henry made his usual plea for easier English licensing laws which, he said, came high

on the list of things that people disliked about Britain.

Other dislikes included the lack of public transport to historic houses, strikes, dirty trains and some London accommodation. Tourists likes included historic buildings and British tradition, the rail service, London theatres and the relative safety of the streets at night.

Sir Henry said the BTA would be consolidating its work with tourists from traditional regions and working hard on new ones, such as high spending tourists from Nigeria and business travellers.

Sir Henry had some cross words for Sir Michael Edwards and BL. He said he had discovered that BL had rewarded retailers in the Netherlands with free holidays in Tunisia. "I wrote to Sir Michael pointing out that if buying British was right for BL it was right for us too."

Sir Michael did not reply but in Sir Henry's words, "passed the letter downwards" and the response was unsatisfactory. "I think that is disappointing when it comes to a company like BL."

French day trips boost travel

BY ARTHUR SANDLES

A MASSIVE rise in the number of British people taking day trips to France, and motoring in western Europe, has resulted in a big increase in the total number of Britons holidaying overseas.

The latest International Passenger Survey results, covering the year to June and published by the Department of Trade, show a 22 per cent rise in the number of Britons going abroad in June of this year compared with last.

The key figure is the 46 per cent increase in trips to other EEC countries. The department says that one of the key explanations for the increase in visits

to the European Community was a large rise in the number of cross channel sea journeys. It is thought that many of these were day trips and short stay visits.

Other sources have indicated that package tourism from the UK is down 3 or 6 per cent and there has been a considerable drop in the amount British people are prepared to spend on a holiday.

As the French franc has weakened and the dollar strengthened, France's tourist traffic has increased at the expense of the U.S.

Only half as many Britons visited North America in June this year as last, and visits to

countries outside Europe were down by a quarter.

This indicates a sharpening of the decline in more expensive holidaymaking since the year began. The six-month totals show a fall of 29 per cent to the U.S. and 5 per cent to non-European destinations.

Just over 1m overseas visitors came to Britain in June, much the same as last year. The number of visitors has risen 2 per cent in the first six months of this year.

Spending by foreigners is up by 14 per cent for the six-month period on the tourism account, while still £75m in deficit for the six months is slightly healthier than last year's £96m.

Borg Warner seeks job cuts at Kenfig

BY ROBIN REEVES

BORG WARNER, the U.S. owned automatic transmissions manufacturer, has invited workers at its only European transmissions plant at Kenfig Hill, South Wales, to apply for voluntary redundancy.

The company said the plant was operating profitably and its order book was holding up better than expected. But as it was seeking improved productivity, it was likely that the plant would need fewer employees next year.

Voluntary redundancies among the 1,200 workforce were a "painless way of preparing for any downturn next year."

Last March, Borg Warner abandoned a plan to invest £33m in the manufacture of a continuously variable transmission system at Kenfig. This project would have been in collaboration with Fiat and Van Doorne, but was dropped after Fiat had

second thoughts about the particular transmission proposed.

Borg Warner has since been seeking contracts which would enable the Welsh plant to supply components for alternative automatic transmission systems under consideration in the European motor industry. So far no firm deals have been arranged.

In the UK, BL has decided to replace the Borg Warner automatic transmission in its Rover

models with a General Motors system. The changeover was due to take place in June but has been delayed until at least next month, bringing Kenfig extra work.

Borg Warner is continuing to supply automatic transmissions for BL's Jaguar cars, and a better than expected demand for automatic Jaguars has helped to compensate for setbacks elsewhere.

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Lucas plans short-time working

BY LORNE BARLING

LUCAS ELECTRICAL, the Midlands based vehicle component supplier, yesterday announced that it would introduce short-time working for some of its 12,000 employees as a result of BL lay-offs on Mini and Metro production.

"There will be a requirement for some short-time working in selected product areas," the company said. It would give no estimate on how many workers there would be. Details were being worked out on a site-by-site basis at 13 plants, it said.

It is understood that this will lead to a four-day week at plants which are direct suppliers of finished products, such as alternators and starter motors, but with lesser effects at other factories.

Lucas said the measures were a direct result of the review of BL's production schedules, which have caused a three-week lay-off for 7,000 workers and also a consequence of the problems of other motor manufacturers.

The company would not speculate on the length of the short-time working period, but said that most plants were likely to be affected.

Mr John Allen, district secretary of the Amalgamated Union of Engineering Workers, said his union would insist on its members accepting the short-time measures, since redundancies were the alternative.

"This supports the Confederation of British Industry's criticism of the Government over the state of the economy and the need to do something about it," he said.

As the economies of the U.S. and other industrialized countries of the West continue in the doldrums, corporate results there are deteriorating, with unemployment and protectionist moves worsening Japan's exports under the circumstances continue to decline, and in the absence of a strong pull of domestic demand, the shadow of stagnation appears darkening.

In July, there were two major developments in the U.S. economy—a cut in the discount rate and the announcement of the second quarter GNP gain. But they have had no significant dent on the Japanese economy.

The Federal Reserve Board's 0.5 per cent slash of the discount rate to 11.5 per cent on July 20, accompanied by cuts in commercial banks' lending rates, pushed up the yen rate to less than 200 against the U.S. dollar momentarily. The turnaround, however, has not led to the yen that the Japanese strategy would make a straight recovery because the prospect is for U.S. long-term interest rates to remain resistant to any significant drop in the future due to high risk premiums that reflect deteriorating corporate results.

The Commerce Department reported on July 21 that the second quarter GNP rose by a seasonally adjusted annual rate of 1.7 per cent after two periods of decline. Since the gain was primarily brought about by a sharp reduction in the pace of decrease in inventory investment, it was not taken as indicating a genuine recovery of the U.S. economy. Should it turn upward in the future, the recovery will be very moderate or short-lived because interest rates look likely to remain at a high level due to massive budget deficits.

Prolonged stagnation of the economies coupled with persistent high interest rates are beginning to seriously affect corporate performances in the U.S. and other Western countries.

Deteriorating corporate performances in those countries are aggravating unemployment

DAIICHI KANGYO BANK DKB ECONOMIC REPORT August 1982: Vol. 11, No. 8

Japan's industrial production continues to lose momentum as exports keep declining

As the economies of the U.S. and other industrialized countries of the West continue in the doldrums, corporate results there are deteriorating, with unemployment and protectionist moves worsening Japan's exports under the circumstances continue to decline, and in the absence of a strong pull of domestic demand, the shadow of stagnation appears darkening.

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Further, unemployment in the U.S. in June remained high at 9.5 per cent, while that in West Germany at the end of May soared to 7.5 per cent from the January-March average of 6.8 per cent. These trends, resulting in heightened social tensions, continue to adversely affect Japan's exports which have been in a downturn since last autumn.

Weakness in exports Seasonally adjusted exports on a customs clearance basis peaked out last October and have since been on a clear downward trend. During the first 10 months of last year, exports were on a moderate downturn of an annual rate of 1.5 per cent or so, but, thereafter, the downturn accelerated to an annual rate of 11 per cent or so.

Compared with a year earlier, exports measured in dollar value in June dropped 8.1 per cent, the fifth consecutive month of such a decline.

As a result, the value for the first six months of 1982 came out 3.6 per cent less than that of the corresponding period of 1981, the first such decline since 1974 and a half.

Stock domestic demand kept imports in June depressed—down 11.6 per cent from a year earlier. The total for the first half of the year was 2.3 per cent smaller than a year earlier.

The most striking thing about the first half trend of imports was a 14 per cent decline from a year earlier in crude and refined oil, which accounts for one-third of the total imports. Excessive of crude oil imports during the period were almost unchanged from a year earlier.

Production cutbacks In the midst of slowdown of exports and absence of stirrings of domestic demand recovery, industrial production is extremely sluggish in Japan. Mining and manufacturing production in May dropped 1.7 per cent from the prior month in a continuous month-to-month decline since last November, with the exception of March. The month's production index stood at only 1.3 per cent above a year earlier. In the meantime, the producers'

finished goods inventory ratio climbed to 87.4 in May, the highest since November, 1975.

The operating rate index for the manufacturing industry dipped to 79.9, marking the first time in three years and 11 months that the rate went below 100.

As for the trends of shipment and producers' finished goods inventories in the past half year, the following patterns are discerned:

1) A rise in "unintended" inventories, resulting from a decrease in shipment that outpaced production cutbacks—general machinery, electrical machinery, chemicals, and textiles.

2) A decline in inventories arising from sharp production cutbacks more than offsetting decrease in shipment—oil and coal products, lumber and wood products, and transportation machinery in the past one or two months.

3) A decline in inventories under the dual impact of decreased production and increased shipment—metal products, food and tobacco.

4) An increase in inventories due to a rise in production outpacing a rise in shipment—precision machinery.

5) No major changes in shipment and inventories—nonferrous metals, pulp and paper.

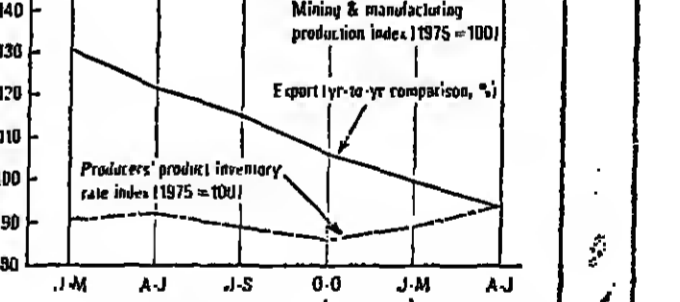
One notable tendency is that most industries belong to the first group than to any other. In these areas, where inventory adjustment will continue in the months ahead, exports account for a significant proportion.

Recovery of personal consumption Business capital investment generally is continuing sluggish, with the exception of the semiconductor industry where plans for capital outlays are being revised upward.

As factors for the weakness in capital investment are cited: 1) low operating rate of production facilities; 2) gloomy outlook for corporate earnings; 3) high opportunity cost for capital investment owing to high interest rates; and 4) uncertainties over future outlook of business.

Orders for machinery, a

Recent Trends in Exports and Producers' Inventory



leading indicator of capital investment, rose in May 30.8 per cent from April, but the average for April and May was up only 4.5 per cent over that for January through March, basically indicating a zigzag trend.

Household investment continued depressed, housing starts in May were 22 per cent less than in the corresponding month of last year.

By contrast, some encouraging signs have emerged in the outlook of personal consumption. Sales at big retail outlets in May rose 7.1 per cent from a year earlier, while new car registrations in June were up 17 per cent from the like 1981 month. According to the Prime Minister's Office's survey, consumption expenditures by households of all categories registered an inflation-adjusted increase of 8.9 per cent in May over a year earlier. Household consumption registered an average 2.5 per cent increase during January through May over a year earlier.

Such a prospect leads to a fear of a massive amount of additional bond issues, and that already has sharply pushed up the yield on government bonds on the secondary market. As of July 22, the yield on the 7.7-per cent interest-bearing bonds shot up to 8.29 per cent.

This compared with a yield of 7.81 per cent on new issues with a coupon rate of 7.5 per cent. As a result, the systematic underwriters of government bonds refused to underwrite issues scheduled for July, forcing the Government to give them up in the month. This means that terms of issues scheduled for August cannot but be revised, and the long-term prime lending rate of commercial banks will also be raised as a consequence.

In view of the necessity to shore up business, the Government will be inclined to get around a discount rate raise, but indications are that it is becoming impossible to limit interest rate increases to a range that can leave the discount rate unaffected.

Consumer prices are equally stable. Their level in June in the 23 wards of Tokyo was 0.1 per cent higher than in May and 2.5 per cent than a year earlier.

Wholesale prices are showing remarkable stability. Their advance in June was a marginal 0.2 per cent from May and 1.1 per cent from a year earlier. Although basic and raw materials marked a gain of 2 per cent from May because of the weakening of the yen, intermediate products registered a continuous decline of 0.4 per cent and finished products also declined 0.1 per cent.

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Surveyors' societies may merge

BY JAMES McDONALD

MEMBERS of the Royal Institution of Chartered Surveyors and the Institute of Quantity Surveyors are to vote on a merger of the two societies in October.

A joint committee which has been working on the proposal for the past year believes unification would benefit members of both bodies and help the construction industry.

It will be the second formal attempt to unite the two. In 1976 proposals were put to the memberships but were narrowly rejected.

The councils of the societies, recommending the proposal to their 50,000 members, say they are confident that the case for unification has been strengthened by developments in the construction industry, and that the scheme is likely to be endorsed by both societies.

A document sent to members says: "The historical stumbling

block on training no longer exists, since the RICS modified its regulations (which are now in line with those of the IQS) enabling potential entrants to carry out their training wholly in a contractor's office."

In a joint statement yesterday the societies said: "Development in micro-technology are demanding changes in training and practice which can best be implemented by a strong and unified body."

"A strengthened profession will also carry more weight in consultation with government and other public bodies in persuading the construction industry of the value of quantity surveyors' services, and in maintaining high standards of service."

The document of proposals says that for many years the public has been confused by the different qualifications held by professionals offering a similar

service. "This confusion is even more evident in those overseas countries where the quantity surveying profession is still relatively unknown. Unification will remove this confusion."

Under the proposals, all IQS members will join the RICS in equivalent grades. Allowing for duplicate membership, this will increase the number of qualified members of the RICS by about 5,800.

There are already 12,511 fellows and professional associate quantity surveyors in the RICS. IQS members would make this division the second biggest in the RICS after the general practice division.

If two-thirds of RICS members and 75 per cent of IQS members vote in favour of unification, approval will be sought from the Privy Council and the two bodies will merge next March.

Competition increases for health insurance sales

BY ERIC SHORT

THE PROVIDENT societies face another challenge to their dominance of medical insurance business transacted.

The established insurance companies, unlike their U.S. counterparts, have kept out of the market. But the growing demand for medical insurance, especially through company schemes, has encouraged some small insurance companies to compete for business.

Multiple Health and Life Assurance, formerly Charterhouse Magna Assurance, was recently acquired by the Wates Group, a building group. It intends to expand its operations in the life and sickness fields.

The company is aiming at the group sector of the medical insurance market, offering comprehensive private care cover—a restricted private cover scheme and a hospital cash plan.

Pilkington to expand Welsh plant

By Robin Reeves

PILKINGTON PE, the electro-optics subsidiary of the Pilkington glass group, yesterday announced the first phase of a multi-million pound expansion at its St. Asaph factory in north Wales, to meet increased demand for military avionic optical systems and night vision goggles.

The company has received a £350,000 grant from the Welsh Office towards the cost. The new facilities will be used to manufacture the optics both for Marconi's avionics system, which has been developed for the new generation U.S. F-16 Falcon fighter aircraft, and Ferranti's moving map system, which is being fitted to the new U.S. naval aircraft, the F-18 Hornet.

Production of Pilkington's image-intensified, head-mounted night vision goggles will also be expanded.

Advertisement for DKB Economic Report. Text: 'Talk it over with DKB. The international bank that listens.' Includes contact information for DAIICHI KANGYO BANK and a note: 'The next DKB monthly report will appear Sept. 28.'

UK NEWS

LLOYD'S OF LONDON 1979 UNDERWRITING ACCOUNT

High interest rates disguise mixed results

BY JOHN MOORE, CITY CORRESPONDENT

LLOYD'S of London yesterday reported its results for its 1979 underwriting account, the latest for which figures are available. The figures show a £172m profit, virtually unchanged from the 1978 underwriting account. A year ago, it was predicted that things would be a lot worse. Lloyd's leaves its insurance accounts open for three years so that insurance claims on its policies may be matched to the year in which the policy was arranged at Lloyd's. Lloyd's argues that this form of accounting presents a more accurate picture, since insurance claims take time to materialise. Lloyd's, like all insurers, has been supported in its operations by the historically high level of interest rates. The net cash generated after expenses on Lloyd's £2.8bn of premium income produced investment income of over £160m, 73 per cent of Lloyd's overall profitability. In the previous underwriting account, investment

Table with 3 columns: Category, Premiums £, Claims £, Profit £. Rows include Marine, Aviation, Non-marine, Motor, Short-term life, and Total.

income amounted to £70m. The real underwriting trend, revealed in the difference between premiums and claims at Lloyd's, is mixed. The underwriting profitability of the marine market declined in the teeth of competition caused by insurers chasing business which is not growing at the same rate as available capacity. Underwriting profits fell from £88.3m to £27.4m. Even so, Lloyd's has managed to turn

for market share by Lloyd's underwriters over the last few years continues to take its toll, and it has affected the market more than aviation losses. Safety records have improved. Last year, 12 aircraft were lost but the situation has worsened again. So far, aircraft losses in the current underwriting are 50 per cent up on last year, and 1982 could produce the largest ever accumulated loss on the aviation bull account. In the general lines of insurance business—such as fire, damage to property, and theft, which is known as the non-marine market—Lloyd's underwriters have experienced a sharp turnaround from a £20m profit to a £15.7m loss, although investment income is helping the market show an overall profit. Asbestos claims loom large in the current underwriting account, although Lloyd's is hoping that the volume of likely claims has peaked. In motor insurance, under-

Shell Chemicals to axe 625 jobs

By Sue Cameron

Shell Chemicals UK is to axe 625 jobs—one-third of the workforce—at its Carrington petrochemicals complex in Cheshire. The move is part of Shell's attempt to stem substantial losses in its UK chemical operations. Last year Shell Chemical UK lost £45m—much of this attributable to the Carrington complex. Losses this year are expected to be similar. It is estimated that the planned reduction in the Carrington workforce could eventually save as much as £10m a year. Initially, the savings will be offset by the cost of redundancy payments. Last night, however, Shell refused to say how much the redundancies would cost. In spite of the reductions in manning, no chemical plants at the Carrington site are to be shut at present. Shell's employees, however, have been warned that studies into the viability of Carrington were continuing. They were also told that any future decision to close chemical plants at the complex would mean more job losses. Shell said that redundancies would be on a voluntary basis "as far as possible." It added that 100 people at the site had already volunteered to go.

Labour conference agenda indicates row over Militants

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

INDICATIONS of the row over the Militant Tendency expected to erupt at next month's Labour Party conference emerged yesterday with the publication of the conference agenda. Of the 29 resolutions referring directly or indirectly to the party's attempts to discipline the Militants and the parallel struggle over the Bermondsey Labour Party's attempt to select Mr Peter Tatchell as its Parliamentary candidate, only two openly support the party leadership and the National Executive Committee. Left-wingers, however, are already accusing the conference arrangements committee of attempting to steamroller the matter through conference by routing out of order the number of proposed amendments, only those amendments drawn up by the Campaign for Labour Party Democracy (a left-wing fringe group) and circulated to all constituency parties, could have delayed action against the Militants for up to a year. The action would include the NEC's proposal to set up a register of groups permitted to operate within the party from which Militants, as presently constituted, would be excluded. The CLPD yesterday accused the committee of a "blatant political manoeuvre" designed to circumvent the "only real threat to the NEC's report." The amendment, it said, posed a positive alternative to the NEC's proposals and would have won a majority at conference. The left-right struggle is expected to erupt in the annual session for positions on the NEC where the list of nominations shows representatives of the centre-left, such as Mr Neil

Cassette suppliers oppose levy

BY JASON CRISP

LEADING SUPPLIERS of blank audio and video cassette tapes in the UK have strongly opposed calls for a levy on the tapes in evidence to the Government on the Greco Paper on copyright law. A number of bodies, including the British Phonographic Industry and the Musicians Union, have been calling for a levy on blank tapes to compensate for revenue lost to record and film companies through home recording. The Tape Manufacturers Group representing BASF, Maxell, Memorex, Sony and TDK dispute claims by the industry that the record companies are losing £300m a year through home recording. The tape suppliers believe concern over video piracy could lead to the Government changing its mind on the levy. The suppliers believe home taping should be made legal. They support a strong crackdown on video piracy, who reported a feature film to sell commercially. The Tape Manufacturers Group argues that the levy would be arbitrary as tapes are increasingly used in business. It also says that having paid for a record price often tape it to

preserve the quality or to listen to it in the car. The Government's Green Paper also rejected calls for a levy on tapes on a number of grounds including the ease of evasion, the difficulty of allocating the levy, the effect on prices and the arbitrary nature of the plan. Although the group rejected claims that record companies lost £300m through home recording, it was unwilling to make its own estimate of the losses. It also said that the sharp increase in the price of cassettes as a result of a levy would provide an even stronger incentive to Far Eastern counterfeiters, which are a considerable problem. Raymond Sneddy adds: Two of Britain's major retailers announced yesterday that they are getting out of video film hire and closing down their video-hire clubs. F. W. Woolworth will stop hiring video tapes at the end of this month and W. H. Smith will follow on October 1. Woolworth said yesterday the closure of the club, which has 10,000 members, was caused almost entirely by the activities of video pirates. Mr Paddy Toomey, records

and tapes buyer, said he believed the pirates were now the dominant force in the market. "Without the overhead of film rights and recording fees the illegally produced tapes can undercut legally produced tapes by 50 per cent or more in the hire charge," Mr Toomey said. Members of the club paid £1.99 to borrow a tape for 24 hours. Some pirates have been offering tapes for as little as 50p a night. Membership fees of £10 for the Woolworth club or deposits of £30 will be returned. W. H. Smith sent letters on Wednesday to its video club members telling them the club rental scheme would end on October 1. Out of 358 Smith's shops in the country, 105 sell pre-recorded video material and 78 were involved in the rental scheme which lasted a year. Mr Stewart Binley, merchandise controller for video software said yesterday the future sales growth "are" was in pre-recorded and blank tapes. The company hopes to stock a wider range of educational video tapes and material for children in future.

New owners for Chicago Pizza Pie Factory

BY TIM DICKSON

THE CHICAGO Pizza Pie Factory, the London restaurant famed for its deep-dish pizza, Chicago memorabilia and an outspoken American manager Mr Bob Payton, yesterday acquired a new group of owners. Founded in 1977, the Chicago Pizza Pie Factory's holding company—called My Kinda Town—was owned 60 per cent by Norton Warburg Investments, which last year called in the receiver. Yesterday, however, the finishing touches were put to a deal whereby Mr Payton—who already controlled 40 per cent—and the APA Venture Capital Fund have put up £800,000 to take the business off the receiver's hands. Under the terms APA has agreed to pay £200,000 for a 25 per cent stake in My Kinda Town, while Mr Payton is getting together £100,000 for the other 35 per cent. The rest of the money will be loaned to My Kinda Town by Coutts Finance Company. The new arrangement ends a nine month search for a backer by Mr Payton. British banks,

he says, have turned down his plans time and again. "Banks in this country think restaurants are either Simpsons in the Strand or MacDonalds. They couldn't understand that our assets were a lot of satisfied customers and that our weekly cash flow is extremely healthy," he argues. Besides the Chicago Pizza Pie Factory, My Kinda Town owns the Chicago Rib Shack in Knightsbridge and a restaurant in Bath. Between these, sales total about £3m a year. Mr Ronald Cohen, managing director of the APA Fund, which is backed by several leading insurance companies and pension funds, said he had been "very impressed by the ability of Bob Payton to develop the theme restaurant." APA would, he added, be a substantial shareholder which could provide funds for future growth. Payton's plans include bringing American-style catering to English public houses and to this end he is involved in discussions with a couple of breweries. He is also trying with the idea of a new London fish restaurant to be named Payton Plaice.

General Motors prepares to put money into Bedford

Kenneth Gooding in Pontiac, Michigan, reports on plans to upgrade British plants' facilities

GENERAL MOTORS is preparing to make a substantial investment in Bedford, its UK subsidiary, to enable it to play a full part in GM's reorganised worldwide truck and bus operations. "We will have to put money into Bedford. That is one of the things we want to talk to the people in the UK about over the next six months," said Mr Donald Atwood, GM vice president and group executive in charge of the truck and bus group. "We will have to make investments there or Bedford won't be viable. If we are to be truly competitive quality-wise over there we have got to spend some money to upgrade the Bedford facilities." Mr Atwood, promoted from GM's electrical division as part of the latest steps in the truck and bus reorganisation, insisted that Bedford would remain an organisation with its own engineering, manufacturing and sales and service operations and that

the Bedford bodge would be retained. Starting next month, however, Bedford's engineering operations will be coordinated with those at the truck and bus division's new headquarters in Pontiac, north of Detroit. "Similarly with the manufacturing activity," said Mr Atwood. "Bedford's manufacturing will be coordinated with that in the States so that we can source components back and forth when we have commonality of design." This news will be greeted with some relief at Bedford, the Vauxhall subsidiary operating from Dunstable and Luton. After GM announced 14 months ago its intention to form its truck and bus organisation by bringing together the operations of GMC and Chevrolet in the

U.S., GM of Brazil and its 35 per cent-owned Japanese associate Isuzu, as well as Bedford, there was more than a suspicion in the UK industry that Bedford would play a very minor role and GM would promote Isuzu products instead. GM executives frequently criticised Bedford for its inability to meet demand when times were good in the truck industry. But Mr Atwood insisted: "There has been a great improvement at Bedford. There was a great turnaround under Ferdie Beckler (the former chief executive since promoted to run Opel, GM's subsidiary in Germany). I think Bedford is a responsive organisation now. It is clear that GM has decided against drawing Isuzu too closely into the new organi-

sation. Mr Atwood said the Japanese company would not be involved in the worldwide truck design and engineering team, although he might ask them to design and make individual components. The decision must have been a hard one to make. One GM executive pointed out privately, "It was a helluva temptation to use all Isuzu products because of their low cost base. But that would not have been in GM's long-term interests." GM's aim is to cut costs and streamline its commercial vehicle operations by producing components that can be manufactured on a large scale—by truck and bus standards—and used in vehicles assembled in, and suitable for, various markets around the world. Mr Atwood said GM would

use this "commonality of design" approach for components for all commercial vehicles, from vans to heavy trucks. GM says it accounts for 6 per cent of commercial vehicle sales in the non-Communist world outside North America, just ahead of Ford and intends to push that to 10 per cent. The group predicts that demand for commercial vehicles outside North America will grow by about 1m to about 6.5m by 1987. Mr Jim McDonald, GM's president, said: "The opportunities available make it imperative that we streamline our organisation and that is what we are doing." From September 1, all GM's American truck and bus manufacturing operations are to be drawn together into a new division—the group's fourth largest with 23,370 employees—with a management team which will include Mr John Fleming, chairman of Vauxhall.

Councils meet over transport subsidies

LEADERS of the metropolitan county councils will meet today to plan their response to the Government's proposed legislation on transport subsidies, writes Hazel Duffy, Transport Correspondent. The amendment, it said, posed a positive alternative to the NEC's proposals and would have won a majority at conference. The left-right struggle is expected to erupt in the annual session for positions on the NEC where the list of nominations shows representatives of the centre-left, such as Mr Neil

Air traffic grows

AIR traffic continued to grow at the British Airports Authority's seven airports in July, with 4.8m passengers, a 3.6 per cent increase compared with the same month last year. At Heathrow, passenger volume rose by 2 per cent compared with July 1981. This coincided with the national rail strike last month, which distorted the growth figures for domestic air services. OUTPUT of the combined engineering industries was 1 per cent higher in the three months to May than in the previous three months. But the Industry Department's production index for this sector was only 94 in this period compared to a base of 100 in 1975. The highest point it has reached was 101 in 1979. SHOTTON work pause THE Shotton works of the British Steel Corporation is to be closed for three days beginning this Sunday because of a fall-off in demand for its cold rolled strip and coated strip products. The 2,500 employees at the works, which has been achieving record output in recent months, have been told to take these days as holidays.

Government attacked by Jenkins on unemployment

BY OUR POLITICAL CORRESPONDENT

MR ROY JENKINS, leader of the Social Democratic Party, yesterday accused the Government of risking massive social disruption rather than acting to curb soaring unemployment. He indicated that unemployment and the need to stop the steady destruction of British industry would be the major theme of the SDP's general election campaign. "Unemployment on today's scale is becoming a threat to the social cohesion of the nation," he told an SDP meeting in Glasgow. "Even a minister as insensitive as Norman Tebbit (the Employment Secretary) is forced to admit that unemployment under this Government may put a strain on the social fabric." Mr Jenkins supported Mr James Prior, the Northern Ireland Secretary, in his contention that present unemployment levels were "intolerable." "One of the minority of ministers who refuse to regard rising unemployment as a virility symbol, Mr Prior is right to be concerned and the Prime Minister and the Chancellor are wrong to be stubborn and complacent," he said. He said the economy would not be revived without Government action and stimulus and the support of the business community. Lower inflation and lower interest rates were highly desirable but would not produce investment and jobs unless the demand were there.

Nile Food to invest £8m in Swindon factories

BY LORNE BARLING

NILE FOOD Products, an international merchandising company, plans to invest £8m in three factories in Swindon, Wiltshire, to make clothing and food products which will be exported to the Middle East. Work on the first two factories will begin in about a month if planning permission is granted as expected. About 300 jobs for unskilled workers will be created in three years, according to the local authority. Thamesdown Borough Council. Mr Douglas Smith, the council's industrial adviser, said the company intended to start negotiations soon for a third factory which would require about 70 unskilled workers in the first year, rising to 120 in the third year. The first two factories, costing up to £5m, will produce margarine, ghee and oil, while the third will be for the manufacture of knitted products and djellabas, the traditional Arab clothing. The products will be air freighted out of the country, largely from nearby Heathrow airport. In Middle East markets, with Sudan a major outlet. Mr Smith said the Arab-backed company's decision to invest in Swindon was based partly on the good reputation of British-made and packaged products in the Middle East, and on the proximity of a major airport. He added that this investment was particularly welcome as it would create jobs for unskilled workers in a town which had attracted a large proportion of high-technology companies in recent years.

Investigation ordered into Manchester stockbroker

BY CHARLES BATCHELOR

THE Director of Public Prosecutions is to ask for a police investigation into the affairs of Manchester stockbroker Halliday, Simpson, which closed in July last year. A Stock Exchange investigation of the firm concluded that it had operated an "open account" for three years up to March 1981 designed to favour certain of its clients. Some fund managers booked orders through this account, passing profits to themselves, relatives or associates but booking losses direct to the institution, the Stock Exchange said. Any inquiry is going to be a long one, probably lasting several months, a DPP spokesman said yesterday. No decision has yet been taken on whether it should be carried out by the City of London or the Manchester police. Four partners, including the senior partner of Halliday, Simpson, were last month expelled from membership of the Stock Exchange after the ruling council found them guilty of gross misconduct. Two associate members of the firm were also expelled, two partners and an associate member were suspended for periods of three to six months and another partner was censured.

Small business Euro-voice

BY TIM DICKSON

MR BILL FOETON, national spokesman for the Union of Independent Companies (UIC), has been nominated by the Prime Minister to serve on the economic and social committee of the European Parliament. A formal announcement is expected today. The four-year appointment is a significant honour for the UIC and a major boost for small and medium-sized companies. The committee, whose members are drawn from industry, trade unions and representative

industrial bodies, advises the Council of Ministers and the European Commission. Mr Foeton, 55, has been a leading voice in the independent companies' lobby for the past 10 years. He helped form the UIC following a row with the Confederation of British Industry (CBI) in 1975. He is understood to be keen to use the post to show the Government how much is done for small- and medium-sized companies in the European Community.

Provincial Building Society Notice to Existing and Prospective Borrowers and Investors

Notice to Existing and Prospective Borrowers Provincial Building Society hereby gives notice that the rates of interest applicable to existing mortgage accounts and outstanding offers of advance are to be reduced by 1.50% with effect from 1st September 1982. Where a mortgage deed specifies a period of notice before an increase in the rate of interest applicable to it is effective then the same period of notice shall apply to the implementation of this reduction and will commence on 1st September 1982. For the purposes of this notice an outstanding offer of advance means an offer of advance or further advance dated prior to 31st August 1982. The new rate of interest and revised repayment figure applicable to an existing mortgage and all outstanding offers completed on or before 31st August 1982 will be notified in each borrower's annual statement of account which will be sent during January 1983. Any borrower suffering hardship and requiring an earlier review of a repayment figure should communicate with the Society. Where an outstanding offer of advance has not been taken up by 31st August 1982 the new rate of interest and revised repayment figure will be quoted in the statement sent to each borrower after completion. Prospective borrowers requiring information relating to the effect of this notice prior to completion should contact the Branch of the Society which issued the offer of advance or the Society's Head Office. In Option Mortgage cases the appropriate subsidy will apply. Notice to Investors Provincial Building Society hereby gives notice that the rates of interest paid in all departments will be reduced by 1% per annum with effect from 1st September 1982.

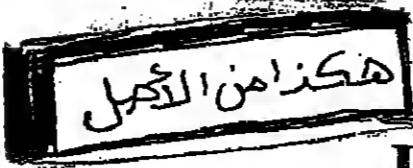


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BARCLAYS HOME MORTGAGE RATE With effect from the close of business on 1st September 1982 the Barclays Home Mortgage Rate will be decreased from 13 3/4% to 12 1/4% per annum BARCLAYS

Published by Barclays Bank PLC. Reg. No. 48839. Reg. Office 54 Lombard Street, London EC3P 5AH.



Telephonists union seeks advice over privatisation protest

BY DAVID GOODHART, LABOUR STAFF

THE Union of Communication Workers is to seek legal advice on whether it can call industrial action in protest against the Government's privatisation plans for British Telecom.

London bus drivers accept 7%

LONDON'S 22,000 bus drivers and conductors have accepted a pay rise of 7 per cent.

Vauxhall offers workers 6% rise

BY PHILIP BASSETT, LABOUR CORRESPONDENT

VAUXHALL MOTORS has offered a 6 per cent pay rise to its 15,000 manual workers in response to the union's claim for increases of up to £25 a week.

Scargill hits at NCB and government 'collusion'

BY OUR LABOUR STAFF

MR ARTHUR SCARGILL, president of the National Union of Mineworkers, yesterday attacked the Government and the National Coal Board for 'secrecy and collusion' over coal prices and the NCB's revenues.

Engineering employers and union leaders find common ground

BY PHILIP BASSETT, LABOUR CORRESPONDENT

Engineering employers and union leaders registered surprising accord yesterday over the current state of the engineering industry.

Tebbit urged to allow posters

BY OUR LABOUR STAFF

CIVIL SERVICE union leaders are demanding an urgent meeting with Mr James Tebbit, the Employment Secretary.

Engineering employers and union leaders find common ground

BY PHILIP BASSETT, LABOUR CORRESPONDENT

Engineering employers and union leaders registered surprising accord yesterday over the current state of the engineering industry.

Hospital uses volunteers

BY OUR LABOUR STAFF

EFFORTS were being made yesterday at local level to deal with the effects of the health workers' strikes at the TUC called for further industrial action.

TUC denies snubbing Foot

BY OUR LABOUR STAFF

LABOUR PARTY and TUC officials moved swiftly yesterday to counter suggestions that the TUC had snubbed the party.

FT COMMERCIAL LAW REPORTS

Digest of cases reported in the Trinity Term

FROM JULY 28 TO AUGUST 18

Banking de L'Indochine et de Suez SA v J. H. Rayner (Mincing Lane) Ltd (FT, July 28)

When documents containing several irregularities were tendered under a letter of credit in the plaintiff bank, it made payment to the beneficiaries under reserve.

The safe port warranty of the Baltimore form when they ordered the Evia to sail to Basrah just before the unforeseen outbreak of the Gulf War.

When an order to sail to a particular port was given, the contractual obligation was fulfilled provided the port was prospectively safe for the vessel.

JEB had been aware that some of the figures were unsatisfactory and that it had not relied on the contents of the accounts to the degree necessary to bring the auditors within the ambit of liability.

The National Coal Board operated two pension schemes for its employees. The board was assessed for VAT as having supplied administrative services for these schemes.

Compagnie Generale Maritime v Dikani Spirit SA (FT, August 18)

When the shipowners failed to supply a container ship that could load the number of containers guaranteed in a clause of the charterparty, the charterers terminated the contract.

Worldwide Carriers Ltd and Another v Ardian International Ltd and Others (FT, July 30)

The plaintiffs were consignors of goods which were rendered useless in an accident during which they brought a single written claim against the first defendant who had subcontracted the first leg of the journey to other carriers.

JEB Fasteners Ltd v Marks Bloom and Co (FT, August 6)

The auditors of JEB produced in accurate accounts to JEB in the nature of the whole operation is important. Mr Justice Woolf said.

Parochial Church Council of St Luke v Commissioners of Customs and Excise (FT, August 13)

When a VAT tribunal has to decide whether a business operation is "repair or maintenance" or "construction or alteration" under the Finance Act 1972, the nature of the whole operation is important.

Aviva Golden

dale Concordie at Sandown last month. In the afternoon's other juvenile race at Newmarket, the Blue Peter Stakes, Electric's half-brother, Schuss, will be heavily backed to make a winning debut.

Kodros Shipping Corporation of Monrovia v Empresa Cubana de Fletes (FT, August 3)

The House of Lords upheld the Appeal Court's decision that the charterers were not in breach of

JEB Fasteners Ltd v Marks Bloom and Co (FT, August 6)

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Parochial Church Council of St Luke v Commissioners of Customs and Excise (FT, August 13)

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Aviva Golden

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Welcome Bahrain sponsorship at Newmarket

GUY HARWOOD fields Stop Talking, Big Pal and Maybury at Goodwood today, but stable jockey Greville Starkey will not be there.

RACING

BY DOMINIC WIGAN

GOODWOOD

2.00-Broken Habit\*\* 2.30-Nauticos 3.30-Stop Talking

NEWMARKET

2.30-Accused 4.30-Ricardo\*\* 5.00-Schuss\*

BBC 1 TELEVISION

Tonight's Choice

Someone at the Beeb has a sense of humour. Tom and Jerry on BBC1 at 6.25 has UNCLE Jerry putting a tail on Tom THURSH in the "Mouse from HUNGER".

BBC 2

6.40-7.55 am Open University (Ultra High Frequency only). 9.20 Scooby and Scrappy Dog. 9.40 Jackanory with T. P. McKenna. 9.55 The Wombles.

CHANNEL

11.55 am Look and See. 12.30 pm A Series Road 1.20 Channel Lunch.

ANGLIA

8.25 am European Folk Tales. 8.40 Snooker 27. 10.30 Johnny's Annual.

BORDER

5.30 am Struggle Beneath the Sea. 9.50 Singray. 10.20 Last of the Wild.

CENTRAL

9.55 am The Wild, Wild World of Animals. 10.20 Gardening Time. 10.45 Zoom the Dolphin.

LONDON

9.30 am Rocket Robin Hnd. 9.50 Challenge: The Canadian Rockies. 10.40 "Checkpoint".

TVS

5.35 am Our Incredible World. 10.00 The Amazing Years of Cinema 10.25 Comic Stories.

TYNE TEES

9.15 am The Good Word. 9.30 North-East News. 9.55 Hannah Barbera Classics.

YORKSHIRE

9.30 am Socratic Music. 10.30 Short Brilly. 10.50 The Suez of Man.

AGE

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MANAGEMENT

Shipshape—but where to next?

Andrew Fisher ponders the future for OCL, the UK container consortium

AFTER A five-year absence with a merchant bank in Asia, Kerry St Johnston has chosen a tough time to re-enter the shipping world.

Two of the main problems he will have to ponder are: should OCL take the plunge into the North Atlantic some time in the future when competition there is less vicious; and should it try to move beyond its present shareholders (see adjoining article) in trying to attract new capital, possibly through a share flotation?

After only a few weeks in the top job—he became chairman on August 1, having been chief executive since May—he is still feeling his way and is not committing himself to any speedy solutions to these points.

An outgoing and affable 51-year-old, St Johnston does, however, have one advantage in running one of the world's largest container groups with services stretching halfway across the globe from Europe to South Africa, the Middle East, Asia and Australia. He has had many years previous experience with OCL, of which he was deputy chairman when he left in 1976. He had also, before that, been with Ocean Transport, a major shareholder in OCL.

Daunting

Why did he go, since he was then clearly marked out for the OCL chairmanship within a few years? He says he burned his boats at the age of 45 because the prospect of shortly becoming chairman and staying there until retirement at 63 was a daunting one. "Nobody can be chairman for 14 or 15 years without a mutiny."

The invitation to become president and chief executive of Private Investment Corporation for Asia (PICA) was an intriguing one and staying there could be found. "I surprised everyone, including myself, by going ahead and doing it."

The call to rejoin OCL came sometime in 1975. Late the previous year, OCL's managing director and new chairman,



Kerry St Johnston: "The art of survival is to be able to switch off"

Keith Reynolds, had died tragically while scuba-diving in Hawaii. It became known around autumn 1980 that St Johnston would become the next OCL chairman.

OCL is now a very much bigger outfit than when he left. In the financial year to November 1981 alone, it added new trades from Europe and the Far East to the Gulf, from Europe to East Africa and to India, and from Australia and New Zealand to the Gulf.

These resulted in a marked expansion of OCL's route network. OCL was already providing services between Europe and the Far East, South Africa, Australia and New Zealand, as well as linking the latter two countries with Japan, Australia and the Far East.

Before taking over at OCL, St Johnston went on an exhaustive 10-week tour of all of its operations around the world. Sir Ronald Swayne, whom he succeeded, reckoned this would be better than coming straight back to the London head office and possibly absorbing too many accepted management notions.

"It worked immensely satisfactorily, except for wear and tear." He reckons he gained a

unique worm's eye-view "from meeting local managers, agents, staff, customers and a number of politicians in various capitals."

Executives at the three shareholding companies reckon he has the energy and determination for the job. But they stress that OCL is in for a tough time. One calls him an "eager beaver," another "an excellent operator" with a practical down-to-earth approach.

The practical approach extends to the way he divides his professional and non-working lives. "I do not want to break any working records," he says. "I do not believe in the over busy executive. OCL could not be run in an autocratic way; it is too big and complicated."

OCL faces some awkward problems over the next few years and finding solutions will severely test St Johnston's strategic and practical qualities. Apart from combatting the recession, OCL has to decide where it wants to go now that its shareholders have transferred to it most major trades for containerisation.

At this stage, St Johnston is giving few clues as to where he aims to lead OCL. Entering the tricky and highly competi-

tive North Atlantic routes is likely, but not yet. A share flotation is not excluded, but there is "no compelling argument" for it now.

His approach, in fact seems curiously change in mind. He feels the present management structure, with directors having much responsibility for decisions in their various trades, is sound.

While he reckons OCL is better and more tightly managed than when he left, with more business handled by the same number of people, the team is basically the same.

Those joining OCL in the 1960s tended to be in their mid-30s—"not dull, steady administrators but slightly fizzy commercial self-starters." More than 15 years on, they are "slightly grey and grizzled." Complacency can creep in, he admits. Fortunately, nothing buoies people out of that better than a good old-fashioned recession.

OCL has certainly had its share of knocks recently. Pre-tax profits tumbled last year from £46m to £26m as a result of the UK seamen's dispute, labour disruption at Southampton and dock disputes in

Australia. The problems in Britain alone inflicted £10m in extra costs and lost revenues on OCL.

The Southampton troubles went on into this February, costing OCL a further £1.5m. There was also unrest at Tilbury, the Thames port which is a key UK operating base for OCL. Industrial difficulties at Australian ports have continued.

OCL is not expecting great things from 1982. Nor are those market analysts who follow the company, which is hard to assess financially because of the complicated shareholding. Dividend and operational links with its parents, Richard Hann, of stockbrokers Phillips and Drew, estimates that OCL will earn some £30m pre-tax this year, with recession in world economies dragging down business. Others estimate around £27m.

St Johnston reckons that 1982 will be "no worse" than last year. The climb back to economic growth is taking longer than expected—"we are still bumping about on the bottom of the recession." But he adds, "1983 should be better for us than 1982."

OCL produces no interim figures, but some idea of its first half performance can be gleaned from a look at the figures from Ocean. Analysts reckon that OCL made a pre-tax profit of £14m or so in the first six months.

Bouncing

While well up on the £4m-£5m estimated for the same period of 1981, they were expecting a higher figure. OCL has not had to face the same level of strike costs, which must have benefited profits. But trade volumes on major routes have been depressed, thus preventing the figures from bouncing back too strongly.

OCL, like other operators, has been hit by stiff competition. But some degree of order has entered routes to the Far East as companies have combined to stop further rate erosion. Maersk, the Danish company, has withdrawn its threat to leave the powerful Far Eastern Freight Conference, a major rate-setting organisation. Evergreen, the Taiwanese line outside the FEFC, has agreed to keep its rates not too far below those of the conference which have also been temporarily

The birth of the big box

THE age of the container began in the 1960s. Before that, most general cargoes were lifted and stowed individually on ships instead of being more efficiently transported in uniform steel boxes—as happens today.

But with the increased efficiency has come a sort of cold anonymity. Initiatives abound rather than names. Among the best-known is OCL—Overseas Containers Limited—set up by four UK shipping companies in 1965 to share the heavy financial burden of containerising major routes.

Apart from colour, length and initials—OCL's new boxes are blue with its letters in white—there is nothing to distinguish one container from another. Each is lifted by crane from purpose-built container ships, or ones with some container room, at neat modern terminals—a far cry from the bustle of traditional ports.

The first OCL ship, the West German-built Encounter Bay, sailed from Rotterdam to Australia in March 1969. From its hopeful beginnings in the mid-1960s, OCL has become Europe's largest container operator. There are 28 ships in its fleet, some of them among the biggest merchant ships in the world. Another, the Providence Bay, was launched in Germany this week.

OCL serves 14 international routes spanning more than 30 countries. The consortium

handled its millionth container in 1976. Last year, OCL ships delivered over 335,000 containers. More than a third, just over 127,000, went between Europe and the Far East, and another 65,000 on the route to Australia/New Zealand. The rest were to South Africa (£7,000), the Gulf (£18,000) and East Africa (£6,000).

The present shareholdings in OCL are: P&O, 47.4 per cent; Ocean Transport and Trading, 32.8 per cent; and British and Commonwealth Shipping, 19.8 per cent. The holdings have varied over the years according to the value of the trades transferred by each company to OCL.

The fourth member, Furness Withy, had to drop out in 1980 after it was bought by Hong Kong's C.Y. Tung Group. The founding shareholders originally had 25 per cent each in OCL. When Furness Withy's holding was bought by the other three, the others used their option to buy its stake, by then down to 16 per cent.

The Tung group received £28m for its stake, this valued all of OCL at £175m, more than the market worth of any of its shareholders at the time. Furness Withy's holding was bought by the other three because its new parent also owned OOCL (Orient Overseas Container Line). As well as having confusingly similar initials, it is a competitor on Far Eastern and other routes.

lowered. Against this background, OCL intends to make more use of what it has rather than branching out at once into new fields. It has completed a £160m investment programme, mainly comprising the re-engineering of five ships and the building of two new ones.

In the next five years, it will spend over £100m on unseasonal items such as asset replacements, mainly containers of which it has more than 70,000. Some more ships might be re-engineered with more efficient diesels and this could easily top £100m.

As for the shipping side, OCL will start to play what St Johnston coyly calls "operational tunes" on its present network, fitting in extra routes here. This year, it will spend £13.6m on simply moving empty containers

back to where they are needed, but some could be used along the way, say in the Mediterranean.

By the end of the 1980s, OCL is likely to be a very different animal. It will presumably by then have gone into the North Atlantic, where efforts are also being made to stabilise trade. And it may well have gone to the market for more funds or gained a new shareholder to enlarge its capital base.

These, however, are weekday problems. St Johnston, who believes "business should be fun," likes to travel home to Gloucestershire at weekends. "I can cestersthere at a whole weekend without thinking of OCL. The art of survival is to be able to switch off." But he is likely to find switching off from OCL hard in the next few years.

Management abstracts

Strategic control in multinationals, C. K. Prahalad and Y. L. Doz in Sloan Management Review (U.S.), summer 1981

Examines the relationship between head office and divisions in multinational situations where the centre may have to assert control over divisions that consider themselves near-autonomous. Examines actions by IVECO (truck makers), Corning Glass, and Brown Boveri (electrical engineering) to bring about a change in the relationship; concludes that divisions need to be fully informed of the reasons behind the change, and that an announcement of change will have no effect unless it is accompanied by re-allocations of responsibility/authority.

Investment appraisal is mostly instinctive, E. F. Northcott in Management Accounting (UK), Jan 1982

Insists that many important decisions that surround capital investment decisions—those with rare exceptions—are little more than a matter of hunch; concludes that it is futile to use discounted cash flow, but suggests that rough and ready guesswork may be helped by rough and ready calculations relating to payback period. What advertising is—and isn't, J. O'Toole in Across the Board (US), April 1982

Examines expressed attitudes towards advertising and concludes that it is criticised and disliked "because it isn't something else"; weighs pros and cons of regulation and discusses the thinking behind the advertising of named household products.

Energy use and management, P. Ellis in The Architects' Journal (UK), 14 April 1982

After noting how energy use/misuse, energy, and discussing approaches that have been tried or merely suggested for getting people to use energy "rationally," suggests components of energy management. Knowing what a business is worth, R. Garlick in Chief Executive (US), Apr 1982

Gives examples of how named companies have decided, or been forced, to sell out or dispose of assets at knock-down prices, and of how others seek to keep abreast of realisable values.

TECHNOLOGY

Turkey and UN stamp out drug abuse with new factory

TURKEY has built the world's biggest factory for processing opium poppy-straw into morphine and codeine. Erected with much international assistance in Central Anatolia, the plant uses a technology which cuts the lucrative produce out of the reach of the international heroin syndicates.

The process bypasses the traditional lacing of the poppy capsule which would give access to peasant farmers and the crime syndicates to raw opium which, in turn, can be converted into heroin in rudimentary laboratories for the black markets.

Instead, the capsules are left on the field. The resulting poppy-straw is purchased by government agents at a guaranteed price for the production of valuable alkaloids at the plant—the first such commercial

enterprise in any developing country. Its Government has signed a \$5m agreement with the UN Fund for Drug Abuse Control for a joint operation intended to stamp out Turkey's remaining links with the illegal trade.

The plant at Bolvadin is to convert 20,000 tons of straw a year into 60 tons of morphine. Full-scale production begins. About half of this will be further refined into codeine and other alkaloids for sale to drug producers, creating a fresh source of export revenue for Turkey as well as jobs for some 300 local workers.

The factory cost \$33m to build. It comprises an extraction plant plus storage capacity for raw poppy-straw. Studies are already under way for the establishment of a research centre to work out ways of increasing the morphine content of the poppy-straw through seed improvements.

Previous assistance by the UN fund has enabled the Turkish authorities to obtain the technology—available only for hard foreign exchange—ensuring an efficient surveillance of the poppy fields. They have now established a radio network and control system in the seven provinces where opium poppy cultivation is authorised.

As a result, the chemical analysis of narcotics seized that world over confirms that Turkish opium has been effectively excluded from the illegal trade. But Turkey is still being used by the traffickers as a principal transit zone. Much of the opium, grown in Iran, Pakistan and Afghanistan is smuggled into Turkey for conversion into heroin at numerous clandestine laboratories.

The end product finds its way to the West—where the public health authorities measure the cost in terms of the alarming current increase of drug-related deaths among young people.

Once the source of 80 per cent of the heroin used by West European and North American addicts, Turkey has turned its opium industry from an international disaster into a legitimate big agro-business. At the heart of its development is a new technology.

TOM LAND reports

To prevent leaks, security at the plant is so tight that even photography is forbidden within the fenced-in compound. The alkaloids are stored in a bank vault. The control measures include a card system, double supervision of all passages, internal television surveillance and rapid communications with the security forces.

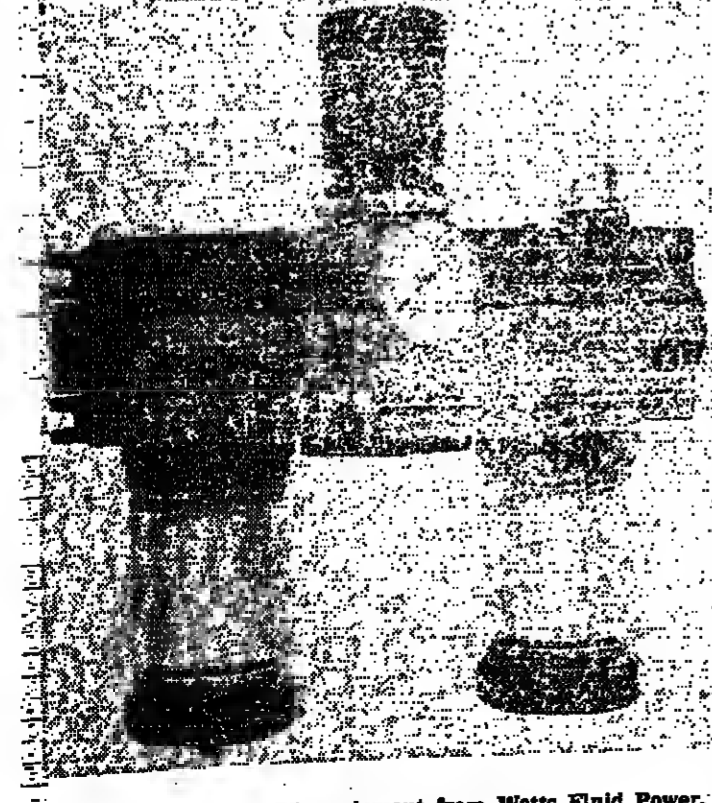
A field of Turkish poppies now out of the reach of the international heroin syndicates.

SEI has launched a new ultra linear power amplifier designed for high performance single sideband mobile radio communications in military and similar applications. The company claims that it has extremely low inter-modulation distortion in the high frequency band. It is intended for use with 50 ohm systems and has a flat gain of 14 db. More details on 061-789 5081.

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Safe Sight Series clue for launch at Design Exhibition Step forward in FRL equipment



A NEW range of filters, regulators and lubricators, known as the Safe Sight 360 Series, has been designed by Watts Fluid Power of London Road, Thripp, near Stroud, Gloucestershire, and will be demonstrated at the Design Engineering Show at the National Exhibition Centre, Birmingham (September 28 to October 1).

The filters, regulators and lubricators (FRL), although probably the smallest components, are vital to the efficiency of compressed air line systems and should, says Watts, "be of immense value to maintenance and service engineers."

Watts is proud of the fact that the British designed and manufactured 360 Series is some way ahead of anything produced in the U.S., although the company would like to keep quiet about this point.

The 360 Series is a modular range designed for pressures up to 250 psi and for piping of 1/2, 3/4 and 1 inches. Simply by changing the end part, secured by two screws, port sizes can be changed with the main body



Finishing Spray-gun

This is the new DeVilbiss industrial air atomised spray gun for vehicle finishing. It's called the JGD. Two models are available: one with stainless steel fluid tips, the other with aluminium fluid tips and needles for use with abrasive materials. Full details from DeVilbiss at Ringwood Road, Bournemouth (0216 71111).

Bicycles Quality tubing to keep Reynolds in forefront of the market

BY MICHAEL STRUTT

TWO YEARS' research by TI Reynolds has resulted in a new specification for quality cycle tubing which the company hopes will keep it at the forefront of the market. The new tube, Reynolds 501 Cromalloy M, is designed to sell to high-volume cycle manufacturers.

Reynolds' reputation was built on Alfred Reynolds' invention 80 years ago of the butting process—by which the cold drawing of steel billets through dies produces tubes of great tensile strength which are internally thicker at each end, where the stress in use is greatest.

Development of its renowned 531 manganese molybdenum tubes in the 1950s set a standard for other manufacturers and the cabot of the Reynolds 531 transfer on a frame built with these tubes has itself

Measuring Infra-red Cyclops

A PORTABLE infra-red thermometer, designed for measuring surface temperatures inside gas or oil-fired furnaces has been introduced by Land Pyrometers, in Sheffield.

The new Cyclops can measure temperatures in the range 600 degrees C to 1,400 degrees C. The company says it has a 0.75 per cent accuracy of the absolute temperature. More on 0245 419691.

Communications Error analysers

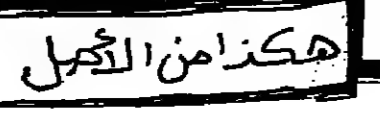
IF YOU are trying to spot errors in your communications network then the Firebird series of digital error analysers might help. The latest microprocessor controlled version is available

Microprocessor systems from THORN EMI Automation Rugeley, Staffs, England Controls for industry

from Codex, Thornton Heath, Surrey. The company says its new instrument is lightweight, portable and can tell whether a fault lies in the communications equipment or the telephone line. More details are available on 01-689 2191.

SEI has launched a new ultra linear power amplifier designed for high performance single sideband mobile radio communications in military and similar applications. The company claims that it has extremely low inter-modulation distortion in the high frequency band. It is intended for use with 50 ohm systems and has a flat gain of 14 db. More details on 061-789 5081.

The 360 Series of FRL equipment from Watts Fluid Power.





EDINBURGH FESTIVAL

Colla Marionettes, Milan

This version of the Prometheus myth doesn't hold strictly to classical origins. For example, Prometheus is usually accompanied by a little puppet called Gerolamo, an active creature who springs from the Comedia dell'arte.

Prometheus, as presented in nine scenes by the Carlo Colla Marionettes at the Chureh Hill Theatre, is based on a ballet produced in Milan in 1813. It is an elaborate production, using 80 or 90 puppets operated by 18 marionettists.

Pollini and Leonskaja recitals

Reasonably enough, the Festival assigns solo artists to halls of a size proportionate to their renown, but the result can seem perverse. Thus Maurizio Pollini found himself giving a short, expensive recital - half of it comprising unpopular works, and most of it on a modest dramatic scale.



Puppet master Eugenio Colla with one of his charges in next week's Cenerentola

century and a bald, and who have six representatives among the company's marionettes today.

The nine scenes fill what seems, by marionette standards, a large, deep stage, with elaborate scenery capable of fairly quick changes.

can fight: Prometheus even operates the puppet Gerolamo in one scene, holding the "pugnetto" with his 12 activating wires in his own wire-operated hand.

But more than this, they can fly through the air like birds, ascend to heaven or descend from it, give a convincing impression of a pas de bourrée. A puppet culture can flap on and start chewing Prometheus's innards; until Hercules sends it sprawling with his club. A

limb can enter and lie down and wig its tail. It is all done so naturally that it almost conceals the operator's art.

So my admiration for the manual skill of this company may be taken as read. What I will praise instead is the beauty of the scenes, the poetry of the scenario, the exquisite speaking of the Italian dialogue, the charm of the musical sequences borrowed mostly from Beethoven and Mozart. The skill lies within.

E. A. YOUNG

as she will be, but that should not take her long.

She is a pianist of uncompromising power, with the outside tone and muscular virtuosity required for Brahms's minor Sonata. Her confident plunge into the first movement, at once announced a formidable exorcism. Preserving the same massive scale, she gave a searching, heartfelt account of the Andante espressivo which disdained wistful sentiment, and followed it with a Scherzo of colossal brio and infectious humour.

first "Aux Cypres" piece had Op. 23 were marvels of colour, pointed lightness, subtle rubato, expressive lucidity in those passages where the tough black and white writing seems to make that possible to achieve.

Pollini chose to preface his Schoenberg, Webern and Nono with two of Beethoven's most concise later sonatas, Op. 90 and 101. Though surprisingly lavish with the pedal, he expounded both works with his usual limpid precision, and a degree of emotional reticence that seemed chibly in its large ball, in the singing finale of Op. 90 he added a little rush to the second limb of the main tune every time; one never made out why. The gracious theme that opens the sonata in A, Op. 101, is punctuated by reflective hesitations, and those Pollini trimmed to the merest compass. The Allegro had a fine gleam and urgent drive.

It turned out that Pollini was saving his communicative powers for the modern music. Schoenberg's knotty Five Pieces

contains the elements of both slow movement and scherzo with a series of 12 variations. The scherzo occupies the major portion of the time, tossing around a pawky theme taken from a ballad also used in the music-dramatic opera, The complete work is a Tchaikovsky sometimes wild and brusquely inconsequential.

There are moments when the symphony seems to be pulling its punches, when the vast apparatus it has set in motion, its Mahlerian orchestra and hugely detailed scoring, fails to deliver the expected emotional tonnage. Yet the coda that culminates in the cello and almost succeeds in pulling these strands together. Further hearings are essential (the BBC is broadcasting a studio performance next Sunday, on Radio 3) for even with the aid of a score details sped by too rapidly for all to be absorbed. It is an intriguing work, however, and one would wager that it will repay prolonged study.

DAVID MURRAY

Smalley's Symphony/Albert Hall

Andrew Clements

Since he departed these shores to lecture at the University of Western Australia in Perth, the progress of Roger Smalley as a composer has become difficult to chart. Reports filtering back have suggested an abrupt change of direction for someone who in British homes known as a standard bearer for the European avant garde and for Stockhausen in particular, and whose music had reflected and developed that commitment. One of Smalley's "Australian" works, the Konzertstück for violin and orchestra, was included in last winter's BBC College concerts, but of the music-theatre piece William Derrin-court (1977) and the string quartet of 1979 we have heard nothing.

The premiere of Smalley's Symphony in one movement at Wednesday's Prom, commissioned by the BBC and conducted, most fluently by Edward Downes with the BBC Northern Symphony Orchestra, at last gave us a comprehensive picture of the composer in the

1980s. The newly found interest in harmonic coherence and pitch centres that with hindsight one might have detected in Smalley's music as long ago as the impressive Accord for two pianos of 1975 is here combined with a lyrical instinct and a return to an exploration of traditional forms. To describe this Symphony in one movement as a "Cheltenham symphony" brought up to date is unfair to its lively textural imagination and freewheeling approach to linear form, but it does give some idea of the work's terms of reference. Schubert, Berg, Mahler, even Shostakovich lie behind some of the inspirations; elsewhere however there are fresh and original images.

Embedded in the conception of the symphony was a parallel desire to write a memorial march, specifically a funeral march, for a friend who had died in 1980. The work is dedicated to the memory of Pauline Steels, and the funeral march is the first of the symphony's two parts, which

together play for roughly half an hour. The elegiac tone of the work emerges most obviously in the first part, when a solo cello quotes a melody used as an epitaph for Smalley in William Derrin-court and eventually rocks the symphony to rest with a gentle lullaby. The peace of that conclusion is hard won, for the argument is complex and sometimes furious up to that point.

The opening pages are perhaps a little slow to take fire; there is much atmospheric string writing and fragments of Morse code are scattered among the wind instruments. It seems almost a conscious leaving-taking of the expressive world of Smalley's electronic pieces, for as momentum accrues, the music becomes much more coherent and unidirectional. There is a sort of toccata for bass instruments that produces the first major climax and that subsides into the funeral march, deliberately understated and confined to the lower reaches of the orchestra. The second half of the symphony

contains the elements of both slow movement and scherzo with a series of 12 variations. The scherzo occupies the major portion of the time, tossing around a pawky theme taken from a ballad also used in the music-dramatic opera, The complete work is a Tchaikovsky sometimes wild and brusquely inconsequential.

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Cinema/Nigel Andrews Three more rocky horror pictures

Who Dares Wins (AA) Odeon Leicester Square The Thing (X) Plaza Conan The Barbarian (AA) Leicester Square Theatre

Myths past, present and future. Forth from the Dark Ages this week comes Conan the Barbarian, with strapping muscles, shoulder-length hair and pioneering fashions in male corsetry. From 1982 came the SAS, famed and feared for their ability to storm terrorists by stocking-masked stealth. And from the unchronicled time-come - "The Thing," symbiotic monster nesting in the bodies of Antarctic scientists.

Seldom has the cinema bestrode so many far-flung eras in one week, straddling history with well-parted feet. And not surprisingly, it looks for most of the time as if it is about to do itself a terrible injury. Conan The Barbarian and The Thing dwell in never-never-lands of effortful fantasy and high-strung implausibility; and the present-day Who Dares Wins, pitting the SAS against a terrorists' kidnap attempt on the American Secretary of State (Richard Widmark), is perhaps the most credence-defying of all in its blend of Boy's Own bravado with dull attempts to give its different characters and feigns convincing political voices.

Australia's Judy Davis plays the young lady terrorist in London whose Arab-backed leftist group, hatching the said abduction bid, is infiltrated by tough and handsome Lewis Collins; but lately booted out - or so Davis and crew are led to believe - from his alma mater, the SAS. Collins and Davis meet, size each other up and then amorously entwine in her luxury dockside flat (whose huge picture-window must be of considerable assistance to police surveillance). And then, after many a twist and hairpin in the plot, they storm the white Palladian eminence of the U.S. Ambassador's Regent's Park residence to hold Widmark and

fellow-inmates hostage. The ransom demand? A signed and sealed promise of unilateral Western disarmament. Will the SAS, tipped off from inside by Mr Collins, come to the rescue?

This scatter-headed sub-Bond adventure dressed in tokenist robes of ideological topicality - only listen, for a frisson of disbelief, to the tattered duel of political ideas between Davis and Widmark in the final reel - is directed by Ian Sharp and produced by Euan (Wild Gene) Lloyd. The film begins at a gallop with brisk training scenes in a hypothetical Welsh SAS camp, but as the improbabilities and ponderosities mount up it slows to a broken-backed canter and then sinks to its knees.

John Carpenter's The Thing, little better, is six characters in search of some characterisation. Kurt Russell, who heard-and-eyepatched through the lead role of Carpenter's Escape From New York, is again the action-man spearhead, this time among a group of Polar scientists. (There are 12 actually, but only six survive long enough to claim a share of the dialogue.) The snowbound research station is terrorised by a beast from a fallen spaceship who incubates inside the men - and/or assumes their corporal form - and occasionally comes out for brutal rampages.

When it does so, it takes on any eclectic nightmare shape it chooses. Incorporating in different configurations all the bodies it has taken over: a wild animated hooliboisie of dogs' snouts, bits of limbs, distorted human faces, flailing intestines, spines and tails. It also in one scene takes over a dead scientist's severed head which falls to the floor from the autopsy table, sprouts large spider legs and then scoots off left-screen.

To the old trouper's advice, Never act with children and animals, must now be added, Never act with "Things." Around the eye-catching



Action stations in Who Dares Wins

mayhem of this protean monster, Carpenter, scriptwriter Bill Lancaster and the cast significantly fail to rally any interest at all in the characters: who include the token black, token genial old veteran (J. Wilfred Brimley) and token shakin'-in-his-boots Research Director (T. K. Carter, charmed with embodying that favourite Hollywood message that high intelligence is no armour against the fathomless unknown). The original Thing - directed by Christian Nyby and produced by Howard Hawks in 1952 - was far less visceral and far more vivid than this Special Effects free-for-all in a cold climate.

Conan The Barbarian is the

third casualty in an embattled week. In grimeiest Spain Arnold Schwarzenegger, formerly Mr Universe, flexes biceps the size of a bus as the freelance wrong-rigger (hitherto immortalised in comic books) tripping across the landscape in wood and animal pelts.

James Earl Jones is the villain, named Thulsa Doom, who is sometimes given to turning into a snake. And writer-director John Millus, who made Dillinger and The Wind and The Lion and co-scripted Apocalypse Now, orchestrates the twin's mutual hostility with zany but remarkably ill-considered scenes, intermitting these with long ramblings of cracker-barrel philosophy of the kind we have been plagued with since Star Wars.

The photography is consistently poor (Spanish film stock? Inconsistent weather?), the dialogue is comical, and the possibilities hinted at the movie's close for a Conn 2 seem a threat rather than a promise.

Filmgoers in search of some cinematic sanity might betake themselves to the Edinburgh Film Festival, whence I shall be reporting next week. The lineup of major American movies - including Ridley Scott's Blade Runner and Steven Spielberg's ET - is complemented by Edinburgh's traditional brew of experimental films, documentaries, political films and low-budget-but-high-invention action movies.



Richard Dysart is attacked in The Thing

See How They Run/Leatherhead Rosalind Carne

One of the delights of my job is the discovery of the gilded successes of the thirties and forties. Philip King's extravagant farce is a particularly good example and I recommend this spirited production by the newly formed London Comedy Company, directed by John Dwyer. A seven-week tour of the West End ends tonight at the Theatre Royal, Haymarket. It would be interesting to see how a mixed London audience responds to such conventional, but high-quality, entertainment.

Even the programme provides an anticipatory chuckle with its advice that "action takes place in the Hall at the Vicarage Merton-cum-Middlewich," and

its familiar dramatic personae, including the Reverend Lionel Toop and the Bishop of Lax. Indeed much of the pleasure of the piece lies in the ease of forecasting its frantic climax and the neatness with which it fulfils our expectations.

The date is September 1944, and we hear early on that the vicarage is near an Internment camp for German prisoners. A soldier borrows the vicar's clothes for the evening, a visiting churchman is expected to take the Sunday service, the bishop is due in the morning. Bearing the title in mind, and with all these churchmen floating around, it is not hard to get an inkling of the culminating spectacle, though the niceties

of plot are ingenious enough.

Thanks to controlled performances from a strong cast, the frenzy never lapses into anarchy, though I preferred the delicious build-up of Act One, with its harped encounter between the vicar's lively young wife (Joanna Van Gysegem) and the village brute, Miss Skilton. Mona Ward brings fine, bossy conviction to the role and her utterance of the word "pulpit" carries as much resonance as Edith Evans's "handbag". She is one of the best stage drunks I can remember, falling her legs like windmill sails around every man she meets, and there are plenty of unexpected ones on this action-packed night.

She manages to miss her most likely partner, John Savident's self-important bishop. It doesn't matter that he is a stock figure, he is a superb one, the loved and hated authority figure of the British middle class. Naturally, we are all delighted when he takes a header into a roseberry bush.

Of the rest I should mention Yvonne Edwards, bending herself inside and out in gawky palties as the ubiquitous maid, Ido, Christopher Good as the lovable, scruffy, and genuine, parson, and Terence Wilton as the act-up-turned-soldier whose unscheduled arrival throws the household, and particularly the ladies, into merry confusion.

THEATRES

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F.T. CROSSWORD PUZZLE No. 4959
ACROSS
1 Admirably body responsible for coast? (8)
2 Swindle keeping Galatea in shape? (6)
3 Arrance as orange is (8)
4 Train a number of race-horses (6)
5 Like one on bench - or not on at all (5)
6 Not poring over SE layer (9)
7 Gather iron will get it out (6)
8 More "lordy" further back? (7)
9 Method set down when ambushed (7)
10 Unshipl violently and impose penalty (6)
11 Continental articles embrace plan - one used to late sun (9)
12 A slattern retiring in Oklahoma (5)
13 What is flowery and worn at Etpsom inside? (6)
14 Quite happy with second things in house? (8)
15 Luxurious, travelling per bus (6)
16 Marijuana as smoked - in outskirts of town - it grows in the tropics (4-4)
17 Got the betting odds on Yorkshire runner, mate? (6)
18 Twin compositions of Gray about Beachy Head in wrangling dispute (4-5)
19 He has title, English worn out variety (5)
20 Sir Leo's chopped meat-ball (7)
21 Partisan shot - the object of cricket? (3-3-3)

A crossword puzzle grid with numbers 1 through 24 indicating the starting positions for the clues. The grid is a 15x15 square with some cells shaded black.

FINANCIAL TIMES

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Friday August 27 1982

BRITISH RECEIVERSHIPS RISE

The business of going bust

By Tim Dickson

Mr Reagan and the pipeline

JUST OVER six weeks ago A. J. Balcombe, a small family-controlled business with 100 employees in North London, finally decided enough was enough. So began the sort of depressing saga which is being repeated almost daily throughout Britain. It had become all too clear to the company that it was critically short of working capital and after consultations with its bankers and an outside accountant its directors agreed to call in the receiver. Two days later Mr Guy Parsons, the senior insolvency partner at accountants Peat, Marwick and Mitchell, and his colleague Mr Alan Milnes were jointly appointed to do the job. And Balcombe's name has already been added to the statistics which show a 100 per cent jump in receiverships in the first half of this year and a 22 per cent increase in liquidations. The company assembled a range of largely imported audio equipment under the Alfa trade name at its base in Edmonton. Turnover dropped from £8.3m to £6.8m in the past three years and losses of more than £1m were incurred in the 12 months to January 1981. Nevertheless Mr Milnes and Mr Parsons thought that underneath the wreckage there might be a potentially viable business enterprise. Twenty-four hours after his appointment, Mr Milnes acted by hiring off all the "saleable" bits of the company into a new subsidiary. "This is a standard procedure," he explains. "The idea is to put together an attractive package for interested purchasers and at the same time preserve any tax losses."

There are several legal objections to the American policy: it is a retrospective attempt to break international commercial contracts which had already been signed and sealed; it is an unreasonable attempt to extend the writ of U.S. law well beyond the territory of the United States; it is an attempt to make the national interests of European countries subservient to (not the national interest of the U.S., but the ideological obsessions of this administration. But the legal arguments are not, and will not be, conclusive: in the end what matters is a conflict of political "appreciation" about the right way to deal with East-West trading relations. There may be plenty of room for debate whether it is prudent for West European countries to participate in a scheme which will make some of them much more dependent for their vital energy supplies on the Soviet Union. There is even some room for discussion whether it is wise for them to participate in a scheme which will enable the Soviet Union to earn large amounts of foreign exchange from its gas sales. In neither case is the balance of argument clear-cut.

Europe's dilemma is that it is far too dependent on imported energy of all kinds, whatever the source, and it is not immediately obvious that the Soviet Union will be a less dependable supplier than the countries in the Middle East. At the end of the day, the European governments have not merely the right, but the obligation, to determine whether their participation in the pipeline scheme is a reasonable commercial and political undertaking, and the U.S. has no right to try to prevent that determination. In any case, the American position is profoundly flawed by its confusing re-bag of rationalisations. When the embargo was first imposed, nine months ago, it was intended as retaliation for the military crackdown in Poland. Subsequent glosses laid the stress on the dangers of European energy dependence, and on the need to avoid helping the stricken Soviet economy. More recently, Washington has reverted to the Polish theme, with ancillary insinuations that the pipeline is being built with slave labour. There must be something seriously wrong with any policy which requires so many shifting justifications. What is wrong with it is that there is no evidence that even a broadly-based and widely-followed trade embargo policy has any chance of forcing a super-power like the Soviet Union to follow political courses of action which it does not judge in its best interest. Such a result is even less attainable if the trade embargo is narrowly circumscribed and universally opposed by other trading countries.

One of the results of Washington's previous attempts to use the trade weapon against the Soviet Union is that it has now lost its dominant position as Russia's primary external supplier of grain. Yet another bad harvest in the Soviet Union, and a large grain surplus in the U.S., means that they are natural trading partners. In this case, the White House sees no objection to helping the Soviet economy, but it is far from clear that Moscow will be anxious to become as dependent as it once was on American grain sales. Yesterday Mr George Bush, the U.S. Vice-President, restated the case for the pipeline embargo on America's position as leader of the free world. There is not much virtue in so-called leadership which involves as much conflict with friends as with enemies. It is time that Washington looked for a way to abandon its sterile crusade, and sought a more broadly-based alliance consensus on East-West policy. Yesterday's escalation of this dispute by penalising foreign companies could seriously damage trans-Atlantic relations, injuring the real interests of both halves of the alliance.

The SDLP moves half a step

IN DECIDING to contest the Northern Ireland Assembly elections this autumn, the Social Democratic and Labour Party has rescued Mr James Prior's devolution initiative from the prospect of an early grave. The SDLP is still the only major party representing Ulster's minority. It is essential to any attempt to restore Catholic political life to the province. Without its participation, as the Northern Ireland secretary knows only too well, the elections would be a sham and the party, despite its opposition to Mr Prior's plans, has passed up the opportunity to strangle them at birth. It will be seen as a signal that it does not find them totally unacceptable. The package does, however, implicitly recognise the Nationalist minority's position. This may leave some scope for future concessions which might bring the SDLP into the assembly after the elections. Mr Prior will need the co-operation of both Dublin and of his own Cabinet colleagues if he is to succeed. Priority should be given to improving the currently strained relations between London and Dublin. Mr Prior's recent overtures to the Dublin Government, which could lead to his meeting Mr Gerry Collins, the Irish Foreign Minister, next month, were made with Mrs Thatcher's approval. This is an encouraging sign.

However, Ulster's Unionist leaders are unlikely to give any ground so long as they remain convinced that they have allies at the very heart of Government. So far, Mrs Thatcher has not sought to clear up the ambiguity surrounding her own views on Mr Prior's initiative. This ambiguity has seriously undermined his ability to come to terms with Northern Ireland's political parties. The forthcoming Tory party conference will give her ample opportunity to dispel any misapprehension. She should use the ground rules for a return to

political life in Northern Ireland. But after 11 years of direct rule, acceptance by all parties of those ground rules would be a significant achievement, and could form a key building block for future progress. It is a measure, however, of the trouble Mr Prior has had in getting his package this far that it does not contain any explicit reaffirmation of the principle laid down by Mr William Whitelaw in 1973—that the minority cannot and should not be expected to settle for less than power sharing. If Mr Prior had been more explicit, his legislation would not have got through the Commons without opening up a deeper, more damaging split in the Tory party. The package does, however, implicitly recognise the Nationalist minority's position. This may leave some scope for future concessions which might bring the SDLP into the assembly after the elections. Mr Prior will need the co-operation of both Dublin and of his own Cabinet colleagues if he is to succeed. Priority should be given to improving the currently strained relations between London and Dublin. Mr Prior's recent overtures to the Dublin Government, which could lead to his meeting Mr Gerry Collins, the Irish Foreign Minister, next month, were made with Mrs Thatcher's approval. This is an encouraging sign.

Nevertheless, Mr Prior and his team of ministers deserve praise for their skill in keeping things afloat so far without provoking any of Ulster's boycott politicians into slamming the door. The Prior package does little more than establish the ground rules for a return to

FOR SALE Crocodile... Retail Fabric Chain North West... Some recent advertisements of businesses for sale.

The "package" included the right to the name, all the stock and any work in progress. The next step was to gather information for a sales memorandum and meet the directors of Balcombe again, to discuss a production strategy for the next few weeks. That meeting took place the following Sunday. "A weekend is usually the best time to do this sort of thing," says Mr Parsons. "Receivers are usually appointed at the end of the week and all bell tends to break loose on Monday morning when creditors, employees and interested parties ring up to find out what is going on." In Balcombe's case Mr Milnes decided to keep production going for a couple of weeks "to convert work in progress into finished stock." Whether a business is ultimately broken up or sold as a going concern, completed products are usually worth more than unfinished components. "We had to buy in some materials at this stage in order to do the job," explains Mr Milnes. Suppliers in such cases often like to be paid in cash, but payment is negotiable. People often do not realise that these costs are part of the receiver's expenses, and therefore have priority over all other creditors. Meanwhile, the receivers had been looking for a buyer. Some inquiries were received direct from the trade and a dozen more followed a newspaper advertisement. "They were a complete mix" says Mr Milnes. "Quite a few were just vultures hoping to pick up the stock for next to nothing but in the end we boiled it down to about four who were serious in taking it on as a going concern." One of them, Harvard International, a medium-sized London company with turnover last year of £1.8m, offered the best price and exactly two weeks ago the deal was announced. The value of the successful bid has not been disclosed. "Businesses with good products that are inherently sound are falling because their balance sheet is such that they can't survive the downturn in demand. There are plenty of people keen to buy them up and re-establish them as smaller businesses," says Mr Peter Copp of Soty Hayward. Receivers are generally reluctant to discuss how they fix prices in particular cases. But it seems that many businesses can justify a price "well above break-up value, but probably a little below what professional valuers say they are worth as a going concern. Inevitably, it is more of a buyer's than a seller's market. Many receivers admit that but for the attitude of the four clearing banks, their hands would be even fuller than they are at the moment. Mr Nigel Hamilton of Ernst and Whinney, for example, says that although his firm has been involved in 50 per cent more receiverships so far this year, it could be many more but for the efforts of the banks. Their corporate finance departments are sweating over cases which a year ago they would probably have put straight into receivership.

It's easy enough to sell off the best bits...

BUSINESS FAILURES First half of 1981 and that of 1982 compared. Table with columns for 1981 (1st, 2nd qtr) and 1982 (1st, 2nd qtr) and a % change column. Rows include Building & construction, Catering, Agriculture, Professions, Retail, Motor Trades, Entertainment, Property, Engineering, Electrical, Food & Drink, Textiles, Chemicals, Miscellaneous.

Much depends on the size of a business for sale and the nature of its activities. All receivers, though, expect considerable "interest" from competitors who never intend actually to make a bid but who hope to get hold of hitherto sensitive information about their industry. The result in many cases is a cat-and-mouse game between receivers and those inquirers not felt to be genuine. A well-known name like Carron, the Falkirk maker of baths, sinks and pillar boxes, usually elicits a stream of inquiries. More than 200 were received by the joint receivers at Deloitte, Haskins and Sells in the 10 days following the announcement of their appointment. A deadline for offers was set for next Monday "to sort out the wheat from the chaff." Carron was advertised and is likely to be sold—as a number of separate activities which the receivers think prospective purchasers will find attractive. This is not, however, always a wise approach. Viners, the Sheffield cutlery company in which strong interest has been expressed by rivals in the trade, has for the moment been put on the market as one complete group. The feeling is that anyone who wants to buy will wish to protect his investment by owning the product names and trademarks worldwide. Prospective buyers, of course, are looking for the wounded rather than the dying. "Surprising as it may seem, any business with a bit of life is quite easily finding a buyer," says Mr Paul Shewell of Cork Gull. "It is very rare in my experience to have to put the assets up for auction." For example, Cork Gully sold a frozen food supplier, which had tried unsuccessfully to expand outside its initial regional base, within 10 minutes of a creditors' meeting and at close to the asking price.

A GUIDE TO INSOLVENCY

- Bankruptcy: Applies to an individual who is unable to pay his or her debts. Arises by way of a court action. A partnership can also be declared bankrupt.
● Receivership: A receiver can be appointed only by someone who has a charge over the assets of a business. Happens when a company defaults under the terms of its loan.
● Liquidation: A liquidator often comes in behind a receiver to look after the interests of unsecured and preferential creditors. A liquidator, however, may also be appointed quite independently of a receiver in the following circumstances:
(1) Members' voluntary liquidation: A way of winding up the affairs of a company which is not insolvent—i.e. it can pay its debts within 12 months.
(2) Creditors' voluntary liquidation: Used when companies cannot pay off their debts within a year. Directors call consecutive shareholders and creditors' meetings—creditors have ultimate say in who is appointed liquidator.
(3) Compulsory liquidation: Occurs when successful application is made to a court by shareholder, director, creditor or Department of Trade, or any party who can show his interest is being prejudiced by continuation of business. An official receiver is appointed whose job is to protect assets and call shareholders and creditors' meetings. If no one else appointed, he acts as liquidator.

According to Mr John Harris, its managing director, Harvard has been on the look-out for complementary businesses for some time. An importer in several different areas, Mr Harris believes Harvard will gain useful expertise in the important consumer electronics market as a result of the acquisition. Mr Harris nevertheless plans to engage around 40 employees. Mr Parsons and Mr Milnes both stress the importance of keeping sensitive information from competitors. Although it did not prove necessary for Balcombe, receivers often prepare a shorter and less detailed memorandum for interested parties which does not give away any trade secrets. Those who want to take it further then have to prove their bona fides. Mr Milnes' chief responsibility is to Barclays Bank, which appointed him in the first place. He also has a duty if possible to pay back preferred creditors, but rank after those with fixed charges but before those with floating charges. Besides the cash raised by the sale to Harvard International, Mr Milnes also retained the factory and the list of debts, which will now be collected to help meet the claims. Receivers, however, do not look after unsecured creditors. That is the job of a liquidator, who will take on any money left in the kitty after the receivers have carried out their responsibilities. When the liquidator has got what he can A. J. Balcombe, like so many other British companies, will be just a memory.

Men & Matters

Sky-larks

It seems a bit late in the day for the U.S. Commerce Department to decide to block the re-export of a computer which the Russians may have been using to enhance and interpret their satellite photographs. Both sides have long had superb satellite maps of each other's territory as the state of Maine discovered when it decided to do some major planning along its coast. It duly wrote to the National Aeronautics and Space Administration to ask for satellite photographs. Try the Department of Defense, NASA replied. Defense officials suggested another agency, which in turn referred the request back to NASA. In despair and with tongue in cheek, Maine wrote to the Soviet Embassy in Washington. It promptly received the photographs it wanted. The story was told to me recently by a U.S. Government cartographer. "But the events took place 10 years ago. He added ruefully: "If only we could exchange maps. Ours are better of them and theirs of us. And we could both update and save millions."

Taking stock

Sky-high trading volumes on the New York Stock Exchange have boosted the value of its 1,366 membership seats. A pre-book seat changed hands for \$190,000 at the end of June. Now the offer price is quoted around \$240,000. London's contribution to the extra demand for seats has come from Robert Harris, 36-year-old senior partner of broking firm Seligman Rayner. He put in a \$175,000 bid early last month and ended up paying

Animal crackers

It is not the obvious hazards of the job—snake-bite, a bear hug or laceration by some lion—that worry the zoo-keepers' trade union in Melbourne. The Melbourne Workers Union has just called in a medical specialist to assess the risk of damage to keepers' hearing from the screaming in the apes-house when the inhabitants are given their breakfast. "Unearthly" is how one keeper describes the racket created by the six chimps, four gorillas and three orang-utangs. Excitement over getting the food often caused fights. The chimps are apparently the worst—screaming, hooting and banging on the metal door of their cage for up to 30 minutes. Keepers thought their hearing might be impaired by the dawn chorus, said MWU state secretary Ray Hogan.

Bank account

After being hidden for 11 years behind a network of scaffolding, one of Dublin's finest historic buildings is again in full view. The College Green branch of the Bank of Ireland must be one of the most splendid places anywhere in which to have an overdraft. It was built to house the 18th Century Irish Parliament, which was dissolved by the Act of Union in 1800. When the Bank acquired it three years later, it was on condition that the symbols of Irish independence be destroyed but the magnificent House of Lords remains. The Bank embarked on the task of cleaning and restoring the eroded facade and embellishments in 1971 at what then seemed the enormous cost of £500,000. Now the final bill of £1.75m looks a bargain. The work was done by Irish stonemasons using the Portland stone and Wicklow granite favoured by the original architects Sir Edward Lovat Percival and James Gordon. Cleaning may soon have to start all over again, however. Already the portion on which

Net profits

Hard on the wheels of Bedford, the Luton truck maker which is to sponsor its home town football club for the next four years, rival European manufacturer Iveco yesterday announced a £400,000 deal with near-neighbours and Division One newcomers Watford. Formed by a merger between Italy's Fiat, Germany's Magirus Deutz and France's Unic, Iveco is the second biggest truck and bus builder in Europe.

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POLAND UNDER MARTIAL LAW

An acid test for Solidarity

By David Buchan in Warsaw

POLAND IS tensely awaiting a trial of strength next week—Tuesday is the anniversary of the Gdansk agreements of August 31, 1980 which formally established the now-outlawed Solidarity trade union.

Solidarity's underground activists hope that protest rallies in major Polish cities will show that support for the union that once had 10m members still runs deep and that the martial law government is a paper tiger whose power will crumble.

For his part General Wojciech Jaruzelski, who imposed martial law in December, does not intend to fail what could be his highest challenge so far. His is expected to use his considerable security forces to scare enough demonstrators off the streets so that he can claim that Solidarity is but a fragmented and declining minority.

The upshot will be watched intently from Washington to Moscow. Solidarity has made Poland a symbol of East-West confrontation. And the Polish crisis is the pretext for President Reagan's controversial sanctions against the Soviet Union, now also a major source of friction within the Western alliance.

Yet Tuesday may not be a watershed: attitudes in Poland have hardened too much in the past eight months for anyone to be sure that any of the many anniversaries in the Polish political calendar will have a decisive result.

Conciliatory gestures—more like olive twigs than branches—have been brushed aside by both sides. General Jaruzelski freed 1,000 inmates in May and 1,200 in July but on each occasion ended up arresting additional people as Solidarity activists took to the streets to protest that his measures were not enough.

On the other side, the main Solidarity leaders in hiding—men like Zbigniew Bujak, Wladyslaw Frasyniuk and

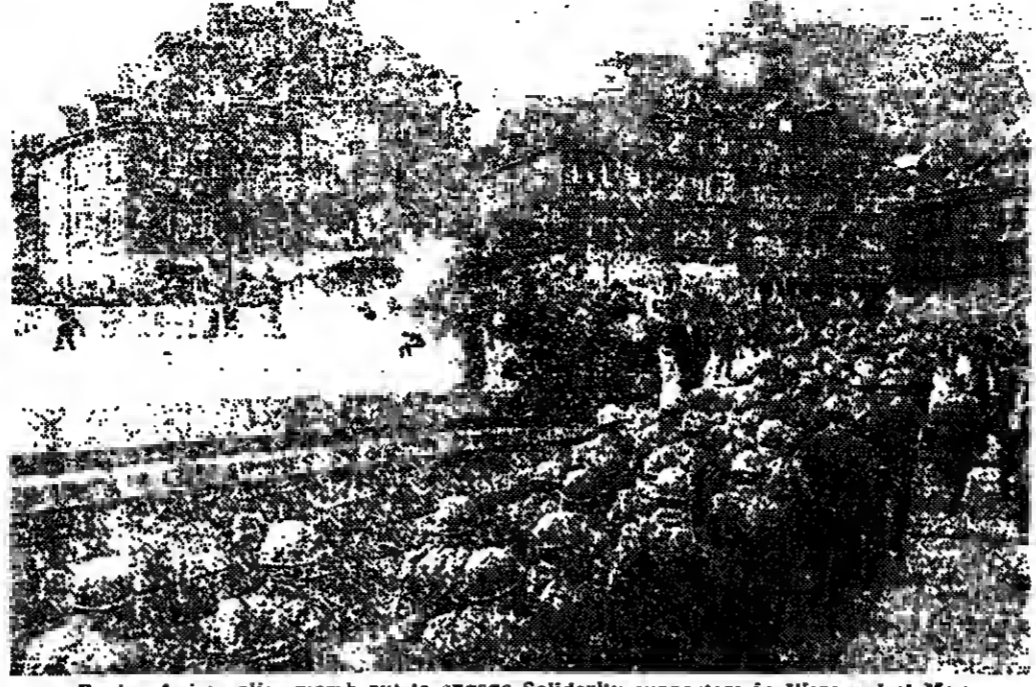
Bodan Lis—gave the Government a month's respite in July, shut down their clandestine radio and even offered to talk with the authorities, provided that everyone who had not on the wrong side of martial law was freed and pardoned. General Jaruzelski rejected this out of hand.

So now the struggle is on again—with the Solidarity underground regarding it as intolerable that 600 people, including Mr Lech Walesa, are still held without trial, and that a larger number are serving martial law sentences in jail. General Jaruzelski has said that formal martial law might be lifted by the end of the year but only to be replaced by other emergency measures. The authorities say they will maintain "nerves of steel" against any attempt to shift their political timetable.

The Jaruzelski Government is none the less toughening its stand, aware that it has might on its side. For the moment Solidarity, as a single coordinated organisation, is dead. The underground's claim to have organised itself into 12 coordinating networks around the country, directing five-man cells in all major factories, universities and hospitals, is probably fanciful, given the regime's security apparatus. The attempt to arrange a 15-minute general strike on May 13 flopped; next Tuesday will thus be an acid test of whether a national organisation is re-emerging.

What does live on is a myriad of activists and sympathisers willing to undertake largely freelance issuing of leaflets and bulletins, and from time to time, to appear on the streets in symbolic protests. This is generally small stuff by international standards and includes none of the terrorism or sabotage one might see in South Africa or Northern Ireland. But by communist standards it is significant. Tryhuna Ludu, the party daily, was right to say of the summer demonstrations "These are not mass events—either in scope or range. But they are very perilous, bringing with them the danger of unrestrained, uncontrolled reactions."

Past political hopes and present economic discontent have also created a highly volatile atmosphere in Poland. As one



Rankings of riot police march out to engage Solidarity supporters in Warsaw last May

of the few remaining liberal newspaper editors still in business says: "The 16 months of Solidarity raised hopes that some level of democracy, popularism, people's control was possible in Poland's socio-political context." The anger that followed the Government's bid to crush these hopes is widespread.

So, too, is the impact of Poland's economic crisis. The savage deflation, caused more by General Jaruzelski's own policies than by external financial problems, has sent the cost of living up 103 per cent, in the first six months of this year, while wages have risen only 45 per cent. It is no wonder that actors refuse to "collaborate" in performing for Polish television, or that Warsaw steel workers complained to General Jaruzelski's face when he visited their plant last week. Faced with this volatility—and this kind of malaise—General Jaruzelski seems to have decided to lighten his military clamp on the country, and to set aside his earlier declared aims.

The promise of market-based economic reform had taken second place to the need for central allocation of desperately

scarce raw materials and foreign exchange. Though out of the militarised mines has risen industrial production (dropped a further 7.5 per cent in the first half of this year compared with the second half of 1981).

A government committee to study ways of reviving trade union activity is due to be set up next month. But so far the Government has come forward with no more than the opinion that while the principle of independent unions might be valuable, old-style Solidarity, organised by region, not industry, is out of the question.

The much-promised "renewal" of the Polish Communist Party, a matter of great concern to the Kremlin, has proved impossible, while the party has continued to hemorrhage. Having lost 600,000 members in the Solidarity era, the party has lost a further 250,000 since martial law, either by expulsions or resignations. Only in the past couple of months has blood: 3,000 have joined up this year.

General Jaruzelski's sole political initiative has been to set up "the Patriotic Movement for National Rebirth," as a sort

of adjunct to the party with no very clear function. Thus, military rule is clearly no longer the brief interregnum of which General Jaruzelski once spoke.

General Jaruzelski has strengthened his position inside his own Government. This was the effect of the July reshuffle in the Politburo and Central Committee which had few policy implications apart from the promotion of some badly needed economic experts to senior posts.

Virtually everyone now in the key secretariat of the Party Central Committee personally owes his job to General Jaruzelski. Even erstwhile moderates, like Mr Mieczyslaw Rakowski, are taking a harder line. The ranks have closed.

General Jaruzelski evidently reserves a lot of decisions to himself these days. But there are two other generals on whom he is believed to rely heavily: General Czeslaw Kiszczak, the Interior Minister, who gave a blistering law and order speech this week, and General Florian Siewicki, the vice Minister of Defence.

General Jaruzelski has also managed to get Moscow to deliver on its promises of increased economic aid. Despite

its qualms about the reversal of the traditional communist dictum that the party should control the military, the Soviet Union is providing Poland this year with extra raw materials, placing orders with idle Polish plants, and attempting to finish off some factories left unfinished for lack of western components and credit. Mr Marian Krzak, the Finance Minister, says Moscow is not giving any hard currency loans as it did in previous years, but its help has been just as effective in supplying Poland with materials that it would otherwise have to buy in the West.

The third thing which General Jaruzelski would like to do is to win over the Polish Church, or at least neutralise its political influence. Many Solidarity sympathisers think he is succeeding at the top of the Church hierarchy, with the Primate, Archbishop Jozef Glemp. The latter has been much criticised for not speaking out strongly enough against martial law, though yesterday at the Czestochowa celebration he called for Mr Walesa's release.

"Because the Church is the one relatively free voice left, there is enormous pressure on it to speak out," says one veteran Church official.

But even the bitterest Solidarity activists do not charge the Church as a whole with playing the authorities, game. This is because of the activities of the rank and file clergy, criticising martial law from their parish pulpits, attending the court trials of those charged under martial law and helping the families of internees.

The Jaruzelski Government has taken strong exception to the demand by Nato governments that it resume dialogue with the Church as well as with Solidarity. As Mr Rakowski insisted a few days ago, the dialogue had never been broken off with the Church. That claim is desperately important to the government.

Martial law has bastened a collapse of governmental legitimacy in Poland, a process begun in 1980, and the present regime is desperately anxious to maintain a bridge to the Church, the one Polish institution whose legitimacy has not been questioned in the past two troubled years.

Lombard

Why we need venture capitalists

By Tim Dickson

IF BRITAIN is to have an economic future, then resources have to be switched from traditional industries like steel and shipbuilding to areas of high technology which promise more rapid and more sustained growth. But how?

The heart of the present Government's philosophy is that the private sector should perform this function. But even some of its supporters do not always understand or accept the consequences of this policy. And one consequence is that many of those who risk their own and other investors' money to back the young companies of tomorrow will end up being very rich indeed.

This, of course, does not go down well in Britain, where anyone who gets rich quick tends to attract sneers from those who think they are socially superior, or envy from others who are proud to regard themselves as socially inferior.

The public image of the financial community is still suffering from Harold Wilson's taunts against property speculators and asset strippers in the early 1970s—no doubt has something to do with this. But while men of this ilk have not disappeared, their deeds and misdeeds should not be allowed to disguise the constructive contributions of more legitimate financial entrepreneurs.

A good example of how this can happen is illustrated by some of the reactions to the Californian venture capitalist, Mr Jack Melchor.

Melchor was originally "discovered" by the National Enterprise Board, with whom he jointly set up the £2m Anglo-American Fund in November 1980. This was a Government inspired initiative using public money to take major equity positions in high technology businesses in the UK-assisted areas. By most accounts, it has been at best a modest success. Melchor, meanwhile, plans to launch his own £10m privately financed venture capital fund which will be free to back projects anywhere in the UK.

Some of the things that have been said recently about the Anglo-American Fund, however—notably the suggestion (as be-

puts it) that he is a knave and the NEB were fools—are holding up the announcement of his own project.

The notion that Melchor secured an unjustifiably good deal for himself when the Anglo-American Fund was set up at the end of 1980 is unfair in terms of the deal were quite clear from the outset; no attempt was made to cover up his company's participation in any future successes; secondly, American venture capitalists have played an important role in encouraging American entrepreneurs and could well do the same in Britain.

In certain parts of the U.S.—notably Boston and the West Coast—venture capitalists are now an important part of the financial scene. Typically they raise money from large companies, institutional investors like pension funds and wealthy private individuals who are keen to tap their expertise in identifying the growth companies of tomorrow. The deals they put together involve more than just the provision of finance—a good venture capitalist can often strengthen an existing management team by bringing people in from the outside and by remaining much more closely in touch with day-to-day operations than the average UK investing institution.

For this reason, and because they seem to be prepared to take greater risks, U.S. style venture capitalists such as Advent Technology and Venture Founders are already adding a new dimension to the UK financial scene.

Melchor clearly hopes to make money out of the NEB project—and for that matter out of his private project. But just because the arrangements are unfamiliar in the UK they should not be condemned.

While finance in itself may no longer be in short supply in the UK, the expertise in nurturing fledgling businesses and spotting new markets often is. This is one of the major contributions that venture capitalists can make. But we really must overcome our national distaste for successful "people making money."

Letters to the Editor

Effective comprehensive consultation with employees

From the Director, Employee Relations and Services, BL Cors

Sir—As your feature on the Management Page of August 23 states, the criticisms of Mr David Buckle, Oxford district secretary of the Transport and General Workers' Union, are far more concerned with their steward and trade union power than they are with effective employee consultation. As such they should not go unchallenged.

Significant progress has been made over recent years by the Austin Rover Group in communicating with and consulting employees and their trade union representatives on matters affecting their employment. Even matters which might be regarded as commercially sensitive (for example, plans for new products and investment) are widely discussed in advance of implementation and views expressed are taken fully into account. That is a healthy and necessary part of the process of making the best decisions and in securing the subsequent co-operation of those who are affected by them.

The power system Mr Buckle appears to be advocating (known as mutualism) was tried in our company over many years and failed. It resulted in continuous negotiations, restrictive practices, frequent interruptions to production causing loss of wages for employees and in uncompetitive levels of productivity. More fundamentally, it discouraged investment because there could be no confidence that new products or new equipment would be introduced and operated efficiently once all the stages of consultation/negotiation required by mutualism had been exhausted. Management initiative was stifled and unjustified compromise was the order of the day.

Yet these were handicaps not shared by our European or Japanese competitors. Their consultative systems did not become devices by which change could be blocked or through which heavy penalties could be applied to restrict efficiency. And these are the countries against whom we are having to compete and whose standards of efficiency we are only now beginning to match after a great

Stagger school times

From Mr P. Butler

Sir—English seaside resorts' attempts to recapture their share of the summer holiday market, reported by James McDonald (August 23) are probably doomed to failure while the season is kept so short by the education authorities. 1981's school holiday period in Kent was effectively, just five weeks—and that is assuming that the average family wishes to dash away in the week in which summer term ends or that the working mother wants to do three weeks' wash in the first week of the autumn term. And for the pleasure of crowded travelling in a month which often, as this year has shown, is not the sunniest of the summer, to resorts which have to raise the bulk of their income in one-twelfth of the year, a high premium must be paid.

An obvious solution, practised with success in other countries, would be to stagger school summer holidays by region between June and September. The benefits to, and indeed, the wishes of, the majority are so obvious that one has to wonder at the sheer inertia which prevents it happening. Peter Butler, 13 Byng Road, Tunbridge Wells, Kent.

Safe deposit boxes

From Mr A. Tancred

Sir—Your interesting article on safe deposit boxes (Technology, August 20) rightly draws attention to the need for this service in the UK. The service hitherto provided by the banks has been deficient in more than one respect. There is a real concern about security. The recent Lloyds Bank break-in has shown that vaults which close for prolonged periods (up to 80 odd hours at weekends) are highly vulnerable. The new breed of "professional" thief, who has sophisticated equipment, such as thermic lances at his disposal, is not necessarily thwarted by even highly advanced security devices.

What is required are vaults which are manned for longer periods. Unrestricted access, and constant manning, are crucial components in the provision of a secure safe deposit. Happily such security is also consistent with what the customer very often requires—the opportunity to view the contents of his box outside office hours. A. P. Tancred, 1 Cristouze Road, SW6

Blazing away

From Mr A. Delens

Sir—Since I arrived in England on a short holiday I have been amazed at the number of cars driven around with their lights on in broad daylight, even in bright sunshine. This can be confusing to other motorists, especially when the brake lights appear to be on constantly, and adds to the already too numerous road hazards. I understand that these cars are Swedish and that the design of their electrical circuits does not permit the driver full control of the lighting system. While I find the cars themselves are unattractive, heavy and clumsy and lack performance, I would never myself buy or even drive a car where I did not have full control of everything on it.

It is also interesting to note that in Switzerland, where safety regulations are stringent, the authorities will not allow such cars to be registered until repaired to a satisfactory specification. A. H. R. Delens, Naval and Military Club, 94 Piccadilly, W.1.

Criticism of Israel

From Mr E. Reader

Sir—Mr S. Goldman (August 19) has expounded such a mixture of fallacy and opinion that he is indeed lucky to be allowed so much space for it. First the question of anti-Semitism. This has provided the cry that has stifled criticism of Israel since it was founded. There is little doubt that many non-Jewish Britons have been appalled at atrocities committed against Jews. Many are equally appalled at many Israeli actions.

No doubt admiration of Mr Begin extends from Deir Yassin to Beirut. There is however an essential difference: while few people have heard of the first, the latter has revealed an aspect of Israel long concealed from much of the world.

If the action in Lebanon has liberated the Lebanese people, it remains to be seen if they are as grateful as were the Jews for the "liberation" of Warsaw. As for peace with Egypt, the benefit to Israel has been great, but the concessions minimal. Would Israel have invaded Lebanon without that peace?

Mr Goldman need not be concerned by the outbursts of Mr Begin—actions speak louder than words. His central European origin is another matter; he and many like him are now occupying the ancestral home of Palestinians. The emotive view of wars since 1948 ignores the fact that

some were initiated by Israel, either by provocation or by pre-emption. One has to be very naive not to realise that the mobilisation and assembly of equipment far in excess of defence needs was in progress long before the excuse occurred to invade Lebanon.

The views expressed as to writh opinion on the fate of the Jewish population gives no credit to outside aid, without which the Israeli economy would be in dire straits and military capacity greatly reduced.

Is it wise to yet again raise the old excuse of terrorism? Stern Gang and Irgun can never be forgotten by the friends and families of their victims.

On the question of borders, I can but agree that for Israel to retire to those of 1967 will not do justice requires a return to 1948.

Why should the West Bank Palestinians not enjoy whatever prosperity they have in freedom. Israel is subject to international Labour Organisation criticism for its treatment of labour in the occupied territories. Certainly there are Palestinians scattered throughout the Middle East. Nothing new after the fact that their homeland is Palestine. Israel will tolerate a small proportion in occupied territory. How kind!

tion of Lebanon. As soon as Israel has dispersed the Lebanese operation, excises will be manufactured for further expansion. E. A. Reader, 10 Birkdale Avenue, Pinner, Middx.

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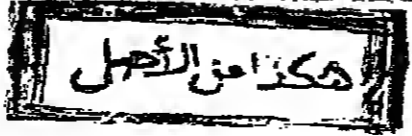
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UK COMPANY NEWS

Companies and Markets

Steady growth at Refuge Assurance

STEADY GROWTH in new regular premium life and pensions business in the first half of the year is reported by Refuge Assurance. New annual premiums in the industrial branch improved by 7 per cent from £8.21m to £8.64m, while in the Ordinary branch, new annual premiums climbed 9 per cent from £1.96m to £2.14m.

Improvement at Sunbeam Wolsey midway

Taxable profits of Irish-based Sunbeam Wolsey, which manufactures textiles and knitted products, rose from £26,000 to £174,000 for the first six months of 1982 on lower turnover of £10.38m, compared with £10.98m. The directors warn that the serious loss-making areas of operations at Middleton Mills and Tullamore Yarns need urgent attention to keep the group's performance in line with last year.

BBA Group soars to £3m midyear

INCLUDING A sharply higher balance of profit from trading of £6.96m, compared with £4.16m, taxable profits of the BBA Group rose to £3.1m for the first half of 1982, an improvement of £2.44m on the corresponding results of last year.

Wm. Ransom looks to second half

Manufacturing chemist William Ransom & Son has recently acquired a number of new product licences, the benefits of which are expected to show through in the second half of the current financial year. Mr Michael Ransom, the chairman, says in his annual statement.

Warning from Dollonds

THE DIRECTORS of Dollonds Photographic Holdings warn in their annual report that intense competition and continued pressure on gross profit margins shows no sign of abatement and that present trading results are insufficient to meet increased rents, rates, salaries and other expenses.

SAI unchanged at £1.7m for six months on higher sales

UNCHANGED pre-tax profits of £1.7m are reported by Scottish Agricultural Industries, a 62.4 per cent subsidiary of Imperial Chemical Industries, for the first half of 1982. Sales however rose from £40.3m to £48.6m.

Global Natural dissidents to continue action

The dissident group of Global Natural Resources shareholders is to continue its action before the British courts despite Wednesday's refusal by the High Court to continue an injunction against the company.

Phillips Patents

Mr J. A. Rowland-Jones, the chairman of Phillips Patents, told the annual meeting that its subsidiary, Kenilworth Components, had been sold.

Slush Puppie profits fall

IN THE second six months to April 30 1982, Somportex Holdings, distributor of confectionery, has fallen into the red to finish the year with a pre-tax loss of £65,000, compared with a profit of £366,000 previously.

Needlers in the red at midway but maintained dividend seen

There were some non-recurring factors which affected Needlers in the period. These included a problem with some finished stock, which was discovered before despatch; the level of orders in the first quarter of the year meant laying off the factory for one week; and the stoppage of exports to the Middle East during this period due to various factors, although regular shipments have now resumed.

Revenue down at midway for New Darien Oil Trust

Earnings per share are stated at 0.33p (1.19p) and net assets are down to £6.02m (£11.94m) taking net asset value per share to 60.3p (£119.4p).

Merrydown's cider sales ahead

Helped by the fine weather in the early part of the summer, cider sales of Merrydown Wine have continued to develop most satisfactorily, says Mr L. A. Howie, the chairman, and turnover to date is ahead of budget and of the equivalent period of last year.

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LEISURE INDS.

Mr Lesek Holzer, the chairman of the Leisure Industries Group, told the annual meeting that at present, trends were encouraging, particularly in view of the competitive state of the market and the continuing recessionary trends being experienced elsewhere.

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Slush Puppie profits fall

IN THE second six months to April 30 1982, Somportex Holdings, distributor of confectionery, has fallen into the red to finish the year with a pre-tax loss of £65,000, compared with a profit of £366,000 previously.

Needlers in the red at midway but maintained dividend seen

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Refuge Assurance PLC Half-year Statement 1982. Table with columns for First 6 Months 1982, First 6 Months 1981, and Year 1981. Rows include Ordinary Branch, Industrial Branch, and General Branch.

M. J. H. Nightingale & Co. Limited. Table with columns for High Low, Company, Price Change, Div. (p), Fully Paid, and Actual Taxed. Lists various companies and their share prices.

Global Natural Resources shareholders' action. Text discussing the dispute over the company's name and the High Court's decision.

Phillips Patents. Text about the sale of Kenilworth Components and the company's financial performance.

IN BRIEF. Summary of financial results for various companies including George Ingham and Co., Lloyds Bank, and others.

The Lombard 11 1/4% Deposit Notice. Advertisement for a deposit notice with a 11 1/4% interest rate.

Revenue down at midway for New Darien Oil Trust. Text detailing the company's financial performance and share price.

Merrydown's cider sales ahead. Text about the company's successful cider sales and expansion plans.

PORTSMOUTH BUILDING SOCIETY. Advertisement for the society's various share classes and interest rates.

COMPANY NOTICES. Multiple notices from various companies including Olympos Optical, Leisure Inds., and Merrydown Wine.

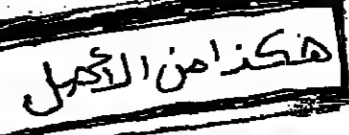
TRAVEL, EMPLOYMENT, ART GALLERIES. A collection of small advertisements for travel services, employment opportunities, and art galleries.

LADBROKE INDEX. Advertisement for the Ladbroke Index, a financial market indicator.

THE LOMBARD 11 1/4% DEPOSIT NOTICE. Another advertisement for the Lombard deposit notice.

PORTSMOUTH BUILDING SOCIETY. Another advertisement for the Portsmouth Building Society.

TRAVEL, EMPLOYMENT, ART GALLERIES. Another collection of small advertisements.



Companies and Markets

**Heywood Williams into loss midway**

A sharp downturn from pre-tax profits of £22,000 to losses of £141,000 is reported by Heywood Williams Group in the six months to June 30, 1982 during which turnover slipped from £15.52m to £15.14m. As last year, no interim dividend will be paid.

However, Mr Ralph Hinchliffe, the chairman, says he expects a more rewarding second half, and the board anticipated being able to recommend a dividend for the year as a whole. Last year, a final 1p per 25p share was paid from pre-tax profits of £247,000.

Interest paid was slightly reduced at £374,000 (£402,000) and there was again no tax charge. The first half saw an extraordinary credit of £13,000 (debit £124,000). Losses per share are stated at 1.7p (earnings 0.4p).

Mr Hinchliffe says that although July has given the company a good start to the second half, the volatility of trading in recent months makes forecasting hazardous.

In addition, this holding company's main businesses of aluminium extrusion and glass distribution both operate on short term order books, which are susceptible to considerable fluctuations.

Heavy losses in January and February were not recovered as quickly as was anticipated, mainly because the upturn in trade immediately following the March budget was not sustained.

Trading during the period was very erratic and was mostly at reduced margins as competitors with surplus capacity fought for business in a weak market, Mr Hinchliffe says.

However, July was a better trading month and a large proportion of the losses have now been recovered, he adds.

The group still holds a significant amount of surplus assets, mainly building land in the UK, which it will continue to realise as opportunities arise, the chairman states.

Pre-tax losses on a current cost basis came through at £189,000.

**Gresham Inv. Trust lifted to £1.21m at year end**

AFTER allowing for a tax charge increased from £701,000 to £814,000, profits of Gresham Investment Trust are reported up from £1.09m to £1.21m in the year to March 31 1982.

A final dividend of 2.5p per 25p share is proposed, as against 2.35p last year, taking the net payout for the 12 months to 3.5p, up from 3.3p previously.

The net asset value of the group as at March 31 is put at 90p per share.

The group, whose main activity is merchant banking, say it has experienced another successful, and this should be continued in the current period.

Gresham has a very strong balance-sheet and is therefore well placed to take advantage of any upturn in the economic climate, both in respect of its merchant banking activities and

in the investing of share capital in unlisted companies, it says.

A record monetary investment in the share capital of unlisted companies was achieved in the period, the group says, and this was done without consciously lowering its investment criteria.

**comment**  
Gresham's conservative investment strategy continues to serve it fairly well. Pre-tax growth has outdistanced inflation by a nose and dividends have been hoisted for the ninth year in a row.

However, capital profits are down in the year and consolidated profits (including those of companies of which Gresham owns more than 20 per cent) are barely higher in the period. The company explains away the disappointing consolidated figure by saying that several

new purchases were not added in pro-rata but will make a useful improvement in the current year. Gresham complains that it is unable to find enough suitable investment "situations" for its money, hence the growing pile of cash in its balance sheet, now about £5m.

The company remains reluctant to start again in overseas ventures (burnt fingers are still stinging) or push in to high technology areas (like electronics) because of its lack of in-house expertise. Such expertise can surely be bought by a company with the resources of Gresham. Until it starts taking the "venture" in venture capital seriously, Gresham is likely to remain on the sidelines of the capital growth game.

The shares, at 81p, point to a 5.7 per cent yield on the improved dividend.

**Hill & Smith at £0.45m halfway**

FIRST-HALF pre-tax profits of Hill and Smith Holdings have exceeded 1980-81's total of £11,502, emerging at £450,760 compared with £27,118 previously. Turnover for the half-year to March 31 1982 expanded from £7.01m to £9.14m.

Appreciably better first-half figures were anticipated by Mr D. Hodgett, the chairman, in his annual statement last March. He says now that trading remains difficult generally, but that he expects the second-half to continue to be profitable with full year results "significantly better" than those of last year.

The net interim dividend is being effectively increased from 0.9p to 1p per 25p share after allowing for the one-for-ten scrip.

A final amount of 2.275p was paid for 1980-81. Mid-year stated earnings per share were 3.96p (1.19p).

Tax took £125,000 (nil) and attributable profit totalled £325,760 (£2,577 loss after an extraordinary debit of £99,995).

Hill and Smith's principal activities include steel stock-holding, linings and garage and industrial doors.

**Scottish Inv. Tst. at £5.2m after 9 months**

Increased third quarter taxable revenue of £2.04m, compared with £1.74m, brought the total for the nine months to July 31 1982, at the Scottish Investment Trust to £5.17m as against £4.83m. Gross revenue for the nine months rose from £5.79m to £5.99m.

The net asset value per 25p share at the end of July is given as 170p, a rise of 2.5p over the value a year earlier.

During the nine months the company increased its short-term borrowings from the equivalent of \$4.6m to \$11.6m (£6.6m at current rates). Since the end of July borrowings have been increased by a further \$5m.

At the six-month stage a maintained interim dividend of 1.7p net per share was declared. In respect of the previous year a total of 4.6p was paid.

The geographical distribution of investments at the end of July expressed as percentages compared with October 31 1981, was as follows: UK 43 (38); U.S. 34 (40); Far East 21 (20); Europe and others 2 (same).

**Rohan marginally higher at £1.86m**

ALTHOUGH EXTERNAL turnover of Dublin-based Rohan Group dropped from £12.7m to £10.32m, pre-tax profits for the first half of 1982 were marginally higher at £1.86m, compared with £1.85m.

However, after tax charges up from £0.37m to £0.46m, net profits were down slightly from £1.48m to £1.4m. Slated earnings per 10p share fell from 22.51p to 18.28p, but the interim dividend is being raised by 10.3 per cent to 5.95p net (5.3p)—last year's final was 5.25p. The interim costs £433,477 (£392,510).

The group carries on business as an industrial estate developer, property investor and building contractor. The directors say that the performance of the trading and investment divisions in the face of a severe economic recession has been satisfactory and they expect therefore, that further progress will be made in the remainder of the year.

Unrealised capital profits are not assessed until revaluation at the year end. It is expected that there will be a further substantial surplus on investments in the year.

The build up of the group's investment property portfolio has the effect of increasing its income earning assets at the expense of earnings per share. Net assets per share at June 30 1982 were 22.4p, as against 16.4p a year earlier and 21p at December 31 1981.

In the trading division, the demand for industrial space has generally remained very soft in all areas of operation. However, in isolated pockets and on its major industrial estate at Dublin Airport, the group has managed to create lettings and sales at a reasonable pace.

Furthermore, a 20,000 sq ft office development completed during the period in Dublin has now been fully let to a first class covenant on a 35 year lease, the directors state.

The rent roll now exceeds £1m, compared with £0.79m at the end of June 1981, and the directors say it is well on its way to achieving the figure of £1.3m at the end of this year.

The investment division continues to perform very satisfactorily. The total investment portfolio at cost at the half year amounted to £5.7m. An independent valuation of the portfolio at the end of December 1981 showed a surplus over cost of £4.5m. A further valuation, including those created this year, will be included in the annual report.

The group has maintained a strong liquid position during the period and it is expected that this will continue for the remainder of the year.

Current cost pre-tax profits for the six months were £1.84m (£1.91m) and earnings per share came to 18.5p (22.9p).

**BOARD MEETINGS**

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Difficult indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Company	Date
Applied	Sept 10
Brammer	Sept 7
Costain	Sept 22
IRC	Sept 22
Hewitt (J.) (Fenton)	Sept 15
Jones and Shoman	Sept 15
KCA Group	Sept 8
Monfort (Knitting Mills)	Sept 15
Pandland Industries	Sept 14
Property Investments Trust	Sept 14
Willie Faber	Sept 14
Barrow Developments	Sept 21
British Electric Traction	Sept 2

**Surmah Valley to modernise tea factory**

Surmah Valley Tea still has to complete the major project of modernising its Luskpora factory, says Mr C. B. Stanley, chairman, in his annual review.

The company hopes to finalise arrangements in Bangladesh, in the near future, for long term borrowings on very favourable terms to finance this project and other necessary capital works.

**RTZ marks time at big Cerro Colorado project**

BY KENNETH MARSTON, MINING EDITOR

THE UK-BASED Rio Tinto-Zinc Corporation international mining and industrial group has decided with its Panamanian Government partner, Codemina, not to go ahead for the time being with the next study phase of the huge, but low-grade, Cerro Colorado copper project in Panama "in view of present world economic conditions, particularly those in the copper market."

RTZ, which has a 49 per cent stake in the project, has so far spent some \$80m (£7m) on the preliminary work and in all, Cerro Colorado could cost around \$1.8bn to reach the production stage.

The next study, now deferred, would take about two years to complete and if this justified a decision to go ahead with mining, the project would need a further

three to four years to come on stream.

RTZ's decision to mark time on Cerro Colorado is presumably prompted not so much by a bearish view of copper prices in the long term, as by the need, shared with other natural resource groups, to husband financial resources during the current recession.

The partners will "continue periodically to review the status of the project as the world economic situation develops."

The latest move comes hard on the heels of the news that RTZ is to leave until 1984 a decision on whether to take production its big Quartz Hill molybdenum prospect in Alaska. RTZ's stake in Cerro Colorado is comprised of a 29 per cent stake formerly held by Codemina (which now has 51 per cent) and

the 20 per cent interest which was held by Texasgulf.

Cerro Colorado presents a challenge of the type which RTZ has successfully overcome, such as the big Bougainville copper-gold operation in Papua New Guinea. Cerro Colorado also lies in a remote mountainous area, between 800 metres and 1,500 metres above sea level on the backbone of Western Panama, where there is a rainfall of about 500 centimetres a year.

Studies have outlined potential ore reserves at Cerro Colorado of some 1,300 tonnes with a low average copper grade of 0.75 per cent, together with some by-product values of molybdenum and silver. Clearly, the low-grade deposit would need to be worked on a massive scale in order to be a profitable proposition.

**No final dividend from RGC**

THE cold winds of recession have produced a sad story for the Consolidated Gold Fields group's Australian Renison Goldfields Consolidated (RGC) in the latter's first financial year to June 30 after its reorganisation.

No final dividend is being declared by RGC, following an interim of 5 cents (2.8p), and there is a net loss for the year of A\$10.2m (£5.7m). This would compare with a profit of A\$20.1m if the reorganised com-

pany has been in existence in the previous year.

Mr Max Roberts, the chairman, comments: "At the time of the merger, based on the best information available at the time, we were projecting total dividends per share of 80 cents."

However, the collapse of the world copper price in particular, the introduction of tin export controls and the effect of the industrial stoppages in the first half, have had a severe impact on the group.

He adds: "Although the current economic conditions are severely restricting our traditional operations, we still hope to add to our mining activities in commodities which will complement and enhance our existing operations."

"The acquisition of a 50 per cent interest in New Guinea Goldfields and a 100 per cent interest in Tennant Trading (Australia) is indicative of our aim to expand our strategic base."

**Globe and Phoenix rises to £68,000; pays same**

TAXABLE PROFITS of the Globe and Phoenix Gold Mining Company advanced from £51,412 to £68,250 for the year ended December 31, 1981. Stated earnings per share rose by 7.13p to 10.52p but the dividend is being maintained at 1.25p per stock unit.

There was a tax credit of £24,649, compared with a charge last year of £31,972, leaving profits at the attributable level well ahead at £92,929, against £29,440. From this dividend payments absorb a same-again £11,041.

The directors say that the Zimbabwe operations continued to show a loss for the first five months of 1982.

and accounts for 1981 will be issued on September 17, pointing out that they were delayed by the necessity to clarify certain procedures for the transfer of the Zambian assets to the local subsidiary.

In the opinion of the directors the nature and location of the group's assets do not provide a practical basis for the preparation of current cost accounts.

ASSAM TRADING (HOLDINGS) (property developer, dealer and investor)—Results for year to March 31 1982 already known. Shareholders' funds £7.46m (£5.83m); loans £2.65m (£2.02m); investment properties 16.25m (£13.99m); net current liabilities £238,000 (£25,000 assets); directors' remuneration capital £219,000 (£243,000). Meeting: York, September 17 11.00 am.

**Sungei Besi's profits fall**

MALAYSIA'S tin-producing Sungei Besi Mines suffered a sharp fall in tin concentrate production in the year to March 31 owing to reduced operations at the Hong Fatt and the northern section of the No 3/5 opencast. Output dropped to 919 tonnes from 1,368 tonnes in the previous year.

As a result the profit from mining operations dropped to M\$1.79m (£420,000) from M\$8.6m. However, thanks to the important interest income and a sharp fall in tax arising from adjustments in respect of previous years the net profit comes out at M\$3.9m against M\$6.78m. A final dividend is declared of 120 cents, less tax at 40 per cent, against 155 cents a year ago.

**To the shareholders of GLOBAL NATURAL RESOURCES**

**Huge losses are projected for your company**

**YOU SHOULD KNOW THAT:**

- McFarlane Oil Company, which your company proposes to acquire, is projected by your company's financial advisers to lose \$6.1 million in the current fiscal year and no less than \$8.0 million in the fiscal year to end February 28, 1984.
- In addition, Global is projected to lose \$2.4 million in fiscal 1982, and a massive \$12.6 million in fiscal 1983. Combined losses in 1983 approximate \$21 million.
- McFarlane's long term debt is projected to increase by over 300 per cent to \$31 million.
- McFarlane's working capital decreased 57 per cent to 5.8 million last year.
- No independent engineering appraisals have been prepared by Global of McFarlane's reserves — a standard procedure in the oil industry.
- 70 per cent of McFarlane's oil reserves and 72 per cent of its gas reserves are categorised as other than 'proved producing' and are thus subject to greater uncertainties and interpretations. Global is relying on McFarlane's valuation of these reserves.
- It is Global's fiduciary duty when making acquisitions of this kind to base them on audited financial statements. Yet, they have entered into an agreement to spend \$44 million of shareholders' money without professionally audited reports.

**U.S. District Court prevents McFarlane acquisition**

A U.S. District Court in Cincinnati, Ohio, has issued a temporary restraining order preventing the acquisition of McFarlane by Global. It also states that "This Court has determined that plaintiffs motion is well taken and that irreparable injury to the plaintiff will result if the motion is not granted." The complaint, which was filed by Ambassador Marvin L. Warner, a member of the Committee for the Protection of Global Shareholders, also seeks a permanent injunction against the acquisition of McFarlane by Global.

- Global's long term debt will reach no less than \$92.5 million by December 1983 if McFarlane is acquired. This compares with \$7.9 million of long term debt at December 1981. Shareholders equity will total \$100.4 million compared with \$92.4 million at December 1981.
- Global now admits that the estimate of \$49 million of net proven reserves when the deal was announced were valued at only \$25.1 million by Global's financial advisers.
- Global plans to issue 3,250,000 new Global shares for McFarlane prior to Global's September 13th Annual Meeting. These new shares will be issued without your approval and with the expectation that these shares will be voted for Global's incumbent board, thus serving to further entrench Global's current management.

**You should vote AGAINST Resolutions 2 and 3 and FOR Resolutions 5 to 20 at the Annual General Meeting on 13th September. Even if you have already voted, you can change your vote and support the Committee's Nominees.**

If you have any questions about voting your shares, you should immediately contact the Committee for the Protection of Global Shareholders and its financial advisers, as set out below.

**You cannot afford the continued mismanagement of your company**  
**VOTE TO PROTECT YOUR INVESTMENT AND REPLACE YOUR BOARD**

**THE COMMITTEE FOR THE PROTECTION OF GLOBAL SHAREHOLDERS**

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Telex: 222573  
Telex: 9811424



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You won't know whether you're coming or going. Because you'll have to keep travelling backwards and forwards.

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There are lots of business development areas trying to tempt you to move out of London, and you'll find plenty of them in the newspapers.

But none of them in the London A-Z.

None, that is, except London's Docklands, where you'll be next door to international businesses and the financial institutions.

Not a couple of daisy fields.

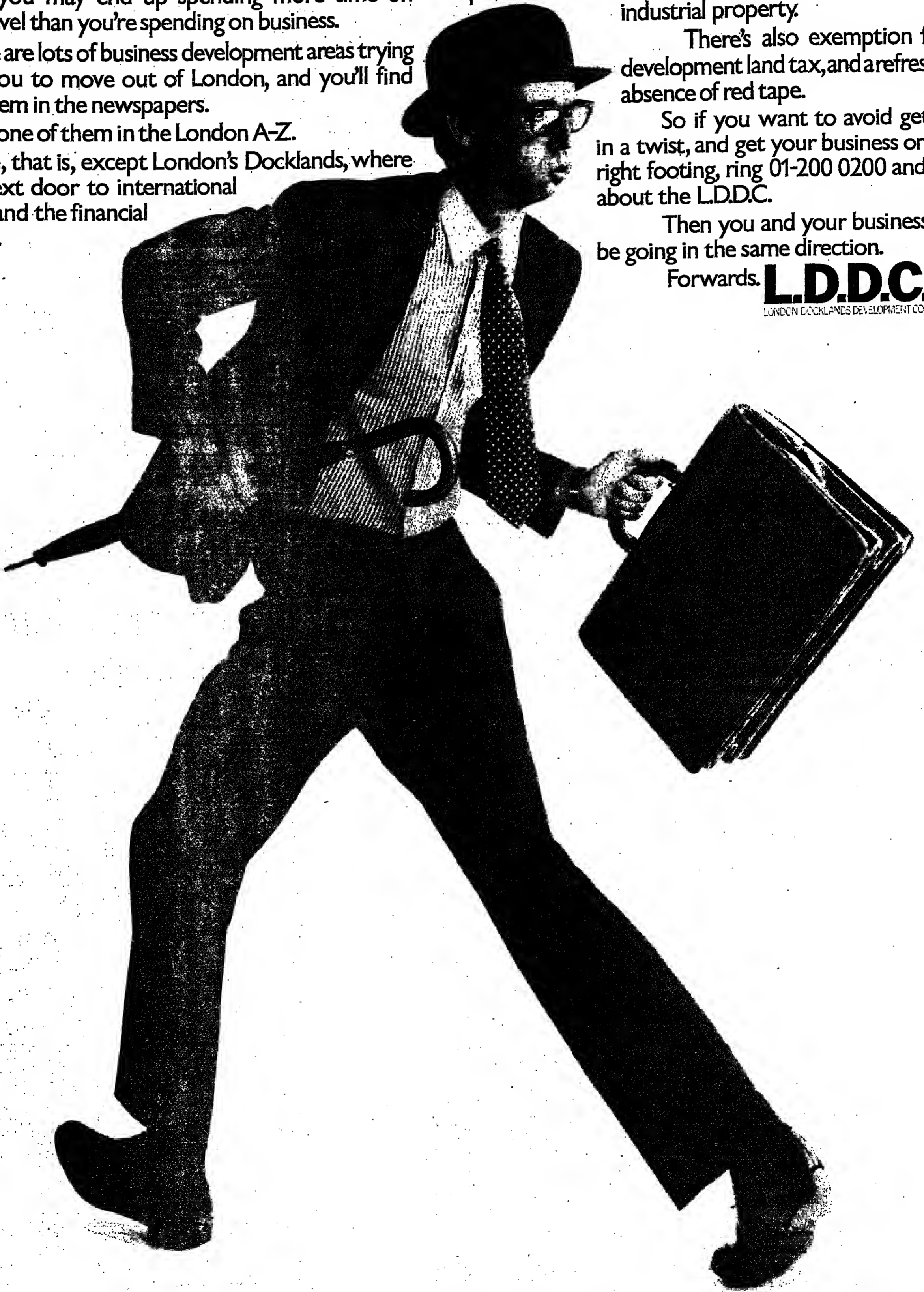
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Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Richard Lambert looks at the troubles of a major asbestos producer Manville overwhelmed by lawsuits

HENRY WARD JOHNS, pioneering developer of asbestos products and founder of Manville Corporation, the world's biggest asbestos company, reportedly died of chronic lung disease in 1982. Nearly 70 years later, the first asbestos lawsuit was filed against the company and, Manville was on the road to yesterday's petition for protection under Chapter 11 of the Federal Bankruptcy Code.

material effect on the company's liquidity during the next few years, if ever. A few months later, at the beginning of August, Manville omitted its quarterly dividend, and admitted for the first time that its financial health could be seriously damaged by the asbestos issue.

SALES BREAKDOWN

Table with 2 columns: Product Category and Sales (\$000s). Categories include Fibre glass products, Forest products, Non-fibre glass insulations, etc.

impact of lawsuits, and in 1981 Manville included for the first time in its profits statement a debit item for asbestos health costs. It came to \$12.8m, and reduced pre-tax profits to \$112.9m.

for protection under Chapter 11, attributing its problems to claims by former workers who said they had contracted lung disease from working with asbestos pipe insulation produced by the company prior to 1982.

Massey plunges deeper into red

By Robert Gibbins in Montreal Massey-Ferguson, the troubled Canadian farm machinery manufacturer, has incurred a loss of US\$87m or \$1.85 a share for the third quarter in line with forecasts at the annual meeting last May.

Hoogovens cuts its losses sharply at half-year stage

INCREASED PRICES for products from its rolling mills enabled Hoogovens, the Dutch steel group, to record an operating profit of F14m (27.5m) for the first half of this year, compared with F19m in the opening six months of 1981.

1981 of F1 159m. Apart from the beneficial effects of the break with Hoechst, which are gradually making themselves felt, the improvement in this year was due almost entirely to higher prices for semi-finished products.

Fixed rate dollar bonds mixed

FIXED RATE dollar Eurobonds turned mixed yesterday in somewhat quieter trading as six-month Eurodollar deposits rose nearly 1/2 point to 11 1/2 per cent.

The latest Development Bank of Singapore 15 1/2 per cent issue due 1989 rose 1/2 point yesterday to close at 10 1/2, according to lead manager Morgan Guaranty.

Esmark lower at nine months

ESMARK, the Chicago-based group which, following a recent reorganisation, now trades in processed foods, chemicals and automotive products, has tumbled in lower earnings for the third quarter although the figures are distorted by special factors.

share against \$72.1m or \$5.38 last time. But this year's net income, at \$7.2m on debt, is down from \$9.5m in the third quarter. Last year's total sales in \$18.6m on short term investments.

AT&T to sell rest of shelf registration

By Richard Lambert in New York AMERICAN Telephone and Telegraph has agreed to sell 5.8m of its common shares at \$37.18 a share to a group of dealers consisting of Morgan Stanley, First Boston, Goldman Sachs, Merrill Lynch-White Weld, Capital Markets and Salomon Brothers.

Further sharp increase in profits at Toys 'R' Us

A FURTHER return in profits in the second quarter puts Toys 'R' Us, the largest U.S. toy retailer, in a strong position for fiscal 1982. With the all important Christmas season now drawing closer, Toys has pushed earnings ahead by 82 per cent to \$8.9m or 20 cents a share in the first half of the year.

Allis-Chalmers to impose 10% pay cut

ALLIS CHALMERS, the diversified machinery group, is to impose a temporary 10 per cent pay cut on its 5,000 salaried staff from next week because of continued erosion in most of its markets for industrial and farm equipment.

Dome tries to redeem unit's preferred stock

By Our Montreal Correspondent DOME PETROLEUM is trying to redeem more of the remaining Class A Preferred shares of its Dome Resources financing subsidiary.

U.S. business failures at 50-year high

NEW YORK — The failure of 572 U.S. businesses last week was the highest corporate casualty count in 50 years and was up 71 per cent from the same week a year ago, Dun and Bradstreet, the credit rating agency said.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of international bonds published next on Tuesday September 14.

Large table with multiple columns: U.S. DOLLARS, STRAIGHTS, DEUTSCHE MARK, SWISS FRANC, CONVERTIBLE BONDS, YEN STRAIGHTS. Includes bond names, issued dates, and yields.

Advertisement for A/S EKSPORTFINANS (Norwegian company) featuring a logo and text: 'All of these securities having been sold, this announcement appears as a matter of record only. \$150,000,000. 13 3/8% Sinking Fund Debentures, Due 1992.'

Bank go-ahead for brokerage services

WASHINGTON — Security Pacific National Bank has been given Government permission to operate a discount brokerage service through a new subsidiary.

Litton slips

Earnings have fallen sharply in the final quarter of fiscal 1982 at Litton Industries, the defence and electronics company. For the full year, net profits total \$314.9m or \$7.69 a share, against \$311.6m or \$7.61 last time.

Handwritten Arabic text at the bottom left of the page.



Companies and Markets INTL. COMPANIES & FINANCE

Bayer's first half pre-tax profits decline by 18%

BY KEVIN DONE IN FRANKFURT

BAYER, THE last of the big three German chemicals groups to report its results for the first half of 1982, suffered a drop of 18 per cent in pre-tax profits to DM 722m (\$297m) compared with DM 877m in the corresponding period of 1981.

For the whole of 1981 profits totalled DM 1.4bn, a fall of 10 per cent on the previous year.

BASF, one of its major domestic rivals, recently reported a plunge in group pre-tax profits of 34.9 per cent to DM 545m, while Hoechst suffered a decline of 20.5 per cent to DM 558m.

to DM 18.2bn compared with DM 17.3bn. In the second quarter Bayer was hit by a further weakening of demand in export markets,

overall by 2.8 per cent to DM 7.2bn with domestic turnover increasing by 4.9 per cent to DM 2.6bn and export sales rising by only 1.7 per cent to DM 4.6bn.

In the second quarter, exports actually showed a decline of 0.9 per cent compared with an increase of 18 per cent in the same quarter last year.

The worldwide economic recession has had a significant impact on Bayer, particularly in the second quarter, when the company suffered from both falling volume sales and declining product prices.

Table with 4 columns: Company, Pre-tax profit DM m, % change. Rows: Hoechst (558, -20.5), BASF (545, -34.9), Bayer (722, -17.7)

Dutch bank plans major reduction in operations

By Walter Ellis in Amsterdam

NEDEERLANSCHE Credietbank (NCB), the fifth largest bank in Holland in which Chase Manhattan of the U.S. has a 31 per cent shareholding, plans a major rationalisation programme aimed at a substantial pruning of operations over four years.

The bank, which this week reported a drop of 40 per cent in first half 1982 earnings, is to close 40 of its smaller branches—out of a total of 115—with the loss of 400 jobs. Current staff totals 2,592.

German Brown Boveri sales dip

BY JONATHAN CARR IN BONN

Brown Boveri of Mannheim, the German subsidiary of the Swiss electrical engineering group, failed to improve profits in the first half year, with falling sales and stagnating orders.

DM 20.2m (\$8.3m) despite a rise of 17 per cent in group turnover to DM 4.7bn. In the first half of this year, group external sales fell by 4 per cent from 1981 levels to DM 1.84bn, while incoming orders were up by 1 per cent to DM 2.5bn.

While foreign sales, which make up 43 per cent of group turnover, stagnated in the first half after registering a sharp rise last year, domestic sales fell—reflecting the current weakness of the German economy as a whole.

Poor start for International City Holdings

By Our Hong Kong Correspondent

International City (Holdings), the Hong Kong property group that came to the market last summer, reports net profits of HK\$86.3m (US\$14.6m) for the first half of 1982.

The results confirm that profits for the whole of this year are likely to fall woefully short of the HK\$500m forecast contained in last year's listing prospectus.

Chemicals and oil sectors depress earnings at Veba

BY OUR FRANKFURT STAFF

VEBA, West Germany's largest industrial concern, suffered a 13.4 per cent decline in group pre-tax profits to DM 470m (\$204.4m) in the first half of 1982 compared with DM 543m.

The chief increase in sales was achieved by Veba's electricity supply division which boosted turnover by 14.7 per cent to DM 4.5bn, helped by a 3.4 per cent rise in power generation.

Price increases for oil products mask a bigger fall in volume sales of 5.5 per cent to 6.3m tonnes, while the volume of chemicals sales fell by 11.6 per cent to 2.2m tonnes.

In chemicals, Veba is being forced to cut its workforce, impose short-time working in some sectors and to close some plants. The chemicals workforce was cut by 3.8 per cent to 22,763 in the first half of the year with the loss of nearly 1,000 jobs.

Move for UAE stock exchange

AGREEMENT in principle appears to have been reached for setting up a stock exchange in the United Arab Emirates (UAE), AP-DJ reports from Manama. UAE officials were quoted by the Dubai English-language newspaper Gulf News this week as saying the exchange would be set up in Dubai or Sharjah. Kuwait is the only Gulf state which has a stock exchange at present.

The projected UAE stock exchange, officials said, would "put a limit to the upper value or maximum price to which a share can appreciate, thus preventing false inflation of shares which was a factor in the problems on the Kuwait stock exchange last year."

Dunlop may have to cut Sumitomo Rubber stake

BY RICHARD C. HANSON IN TOKYO

CHANGES in the rules for listing on the Tokyo Stock Exchange may require Dunlop, the British tyre maker, and other major shareholders in Sumitomo Rubber Industries to reduce their share of ownership.

Dunlop currently holds 40 per cent of Sumitomo, one of Japan's leading rubber companies. Other major shareholders are Sumitomo Electric, Sumitomo Corporation and the Long-term Credit Bank of Japan.

Sumitomo Rubber is listed on the second section of the Tokyo market. It has been quietly informed by the authorities that any company in which the top 10 shareholders control more than 50 per cent of the stock, as is the case for Sumitomo, will no longer qualify for listing.

Sumitomo has yet to work out a plan for reducing the ratio of ownership by Dunlop and others. Dunlop's ties with Sumitomo go back two decades and include a technical agreement which expires in 1984.

Exports suspension hits Daihatsu Motor results

BY YOKO SHIBATA IN TOKYO

DAIHATSU MOTOR, a member of the Toyota group specialising in the production of small cars, reports a 19.5 per cent setback in unconsolidated operating profits to Y6bn (\$38.8m) in the year ended June, 1982. The decline in earnings resulted from higher depreciation charges and a suspension of exports to Argentina and Chile due to deteriorating economic conditions.

Daihatsu's full year net profits were 1.7 per cent lower at Y5.17bn, on turnover of Y400.69bn, which was up by 5.9 per cent from the previous year. Earnings per share were Y13.65, compared with Y14.37.

The company sold 463,589 vehicles, a drop of 3,440 units from the previous year, with domestic unit car sales of 330,513 vehicles (up 9.9 per cent) and export sales of 133,076 vehicles (down by 17.4 per cent). The suspension of exports to Argentina and Chile resulted in an annual market loss of around 4,000 units a year. Domestic sales of minivans however fared well, increasing by 21 per cent.

DFDS expects loss for year

By Hilary Barnes in Copenhagen

DFDS, the Danish shipping group, expects a group loss for 1982, compared with earnings of Dkr 126m (\$14.9m) last year.

Establishment costs connected with the North American cruise line project—Scandinavian World Cruises Bahamas—were twice as high as expected at about Dkr 50m as a result of problems with the conversion of vessels.

Advertisement for Oesterreichische Kontrollbank Aktiengesellschaft, U.S. \$100,000,000 Guaranteed Floating Rate Deposit Notes 1987. Agent Bank: ORION ROYAL BANK LIMITED.

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losses stage

mixed

months

SERVICE

THE PROPERTY MARKET BY WILLIAM COCHRANE

Yield structure: agents bite on the bullet

PRIME commercial property yields have moved up in the past three months, and they could rise again in the autumn.

Three major firms of estate agents have now said, or are about to say, that yields have moved up during the summer, and at least one of them accepts that September will be a testing time for the market.

Edward Erdman's Clive Ross set the ball rolling back in June when he said: "The recession and the Falklands crisis have created further uncertainty, and funds are presently taking a more relaxed attitude in the sector which seems to represent a quarter to half per cent upward movement in yields."

At that time, the market was still active. Since then it has entered its summer recess and a flood of property is ready to test ideas of what the right level should be when the right people are back at their desks next month.

Meanwhile, the partners of Richard Ellis, and Healey and Baker have set a provisional level. Somewhat retrospectively, Ellis takes the view that prime shop yields had risen from 3 1/2 per cent to 3.65 per cent in the quarter to the end of June, offices had held at 4 1/2 per cent and industrials had moved out a quarter of a point to 6 1/2 per cent.

The September edition of the Healey & Baker graph of prime commercial property yields will record an increase in all three sectors: shops from 3 1/2 to 3 3/4 per cent, offices from 4 1/2 to 4 3/4 per cent and industrials from 6 1/2 to 6 3/4 per cent.

Both firms advise caution, due to the relatively quiet state of the investment market during the holiday period. Iain Reid of Richard Ellis says that while the feature of the market this month has been the small number of deals taking place, he had been surprisingly upbeat for a particular investment in this period.

Mr Orchard-Lisle thinks the market could move either way next month. It has had a lot to assimilate, and speculate upon, lately.

On the other hand, bank base rates have been moving down in 10 easy stages from 18 per cent to 11 per cent since the final quarter of 1981. This is unlikely to exert downward pressure on commercial property yields, steady as they have been against a widely

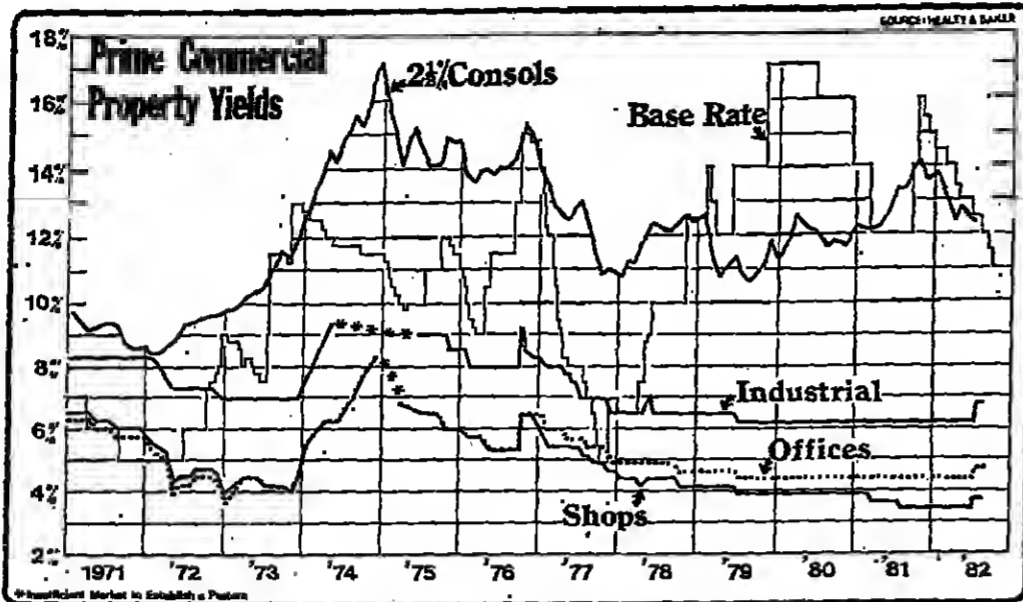
fluctuating base rate pattern over the past 18 months. However, lower bank base rates reflect a lower inflation rate. So while the overall picture of declining growth coupled with rising prime yields may superficially appear discouraging, say Healey and

Baker, if inflation continues to fall and to remain at a low level, the target rate of return an investment manager would seek would be correspondingly lower. If yields do move higher still, investment managers could be embarrassed. H and B calculate that the increase in prime yields recorded to date, applied to a portfolio of prime rack rented properties, would lead to a reduction in value "overnight" of 6.7 per cent on shopping, 5.3 per cent on offices and 7.4 per cent on industrials.

That much of a "decline" would in practice be offset by other components in the valuation of a normal portfolio, rental increases, and increases in value of reversionary properties among them. But rental growth is low, while it could absorb the present rise in yields. It is doubtful whether it could take another without a drop showing on some portfolio valuations.

It would be unfair to Erdman, Ellis and H and B—or to equally well known firms which take the line that yields have not risen—to ignore the fact very little property in the average portfolio is prime.

Alan Logue of Jones, Lang, Wootton puts it this way: "Prime is a very, very narrow margin of property which is redefined as market conditions change." In other words, if properties which underperform are dropped out of the prime category in bad times, it is possible to say that the best property (however less of it there may be) has stayed on the same yield structure.



Taylor Woodrow in Tampa

Taylor Woodrow's American property subsidiary has acquired a 10.4 acre site for \$1.4m (£795,000) within the airport service centre immediately adjoining Tampa International Airport, Florida. It plans a 140,000 sq ft office development, with construction starting in around four months' time.

Harj on the news of its Bromley disposal, F.W. Woodrow is understood to have sold its store in Oxford, for a price estimated to be between £12m and £15m. The buyer is thought to be Arrowcroft Investments, and the aim re-development.

Despite difficult economic conditions in France, there is still an encouraging level of commercial property activity, says Jones Lang Wootton in Paris. The investment market has definitely slowed down, they say, but several significant lettings have recently been achieved.

A private investor has purchased the freehold of a 41,000 sq ft warehouse building in Nuneaton for £1.15m. The property is let to Rank Hovis McDougall for a term of 25 years and the yield to the purchaser is 6.48 per cent. This reflects the fact that the premises qualify for a 75 per cent allowance under the Industrial Building Allowance scheme.

Science park concept under examination

THE WINE, good ideas do not always travel well. Science parks extensively developed in the U.S. may be a case in point. The cost and availability of land in the UK, together with transport, environmental and other considerations—such as an apparent shortage of academic entrepreneurs in this country—suggest that the concept will need careful tailoring to succeed here.

A review of science parks and high technology developments by James Williams, an associate in the planning department of Drivers Jonas, derives from a study produced for a public sector client which was considering a science park project but eventually decided not to proceed.

Understandably, Drivers Jonas has excised from the review details specific to the client. But things which might have gone wrong include: an unemployment problem in an area whose labour force was unattractive in a "high-tech" context; no identifiable technological base; and a lack of the attractive environment which comes fairly high on the list of priorities.

Mr Williams defines a science park as a collection of science based industrial companies or research institutions, situated near a university or similar technology based institution on an attractive, well-landscaped site.

A number of developments proposed and marketed as science parks does not fall within this definition, he says; the similar, but more honest-sounding high technology developments "may well be a more appropriate concept for a number of UK situations."

Cambridge, where Trinity College is the science park owner-developer, is an interesting example of how the various criteria can be met, or missed. It has the institutional base, the land, the environment and the right sort of people as a potential work-force.

The idea evolved in 1968 and the first building was completed in 1973. From a total site area of 140 acres the area developed so far is 28 acres; and site coverage is only 16 to 20 per cent. A total of 18 units between 1,300 and 23,000 sq ft employ 550 people.

It seems to follow that a science park is the immediate answer to an area's unemployment problems. Nor is it going to make rapid, and massive profits for the developers—it is hard to see either the time, or the land being given to this type of project in the "Heathrow Triangle."

Even Cambridge does not fit all the criteria. It is too far from Heathrow, and Mr Williams says that the level of usage of university resources by science park tenants "is disappointingly low."

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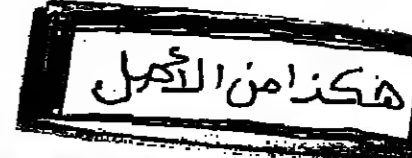
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COMMODITIES AND AGRICULTURE



Companies and Markets

Thais and Soviets in barter deal

THAILAND has agreed in principle to a Soviet proposal to barter 200,000 tonnes of maize for 100,000 tonnes of fertiliser.

Details of the barter deal have still to be worked out, but Thailand would make the exchange if it has a good maize crop next year or if the local maize price declines.

BRAZIL'S Grains and Oilseeds Newsletter estimates the forthcoming soyabean crop at between 14.28 and 14.75m tonnes, compared with 12.80m tonnes last season.

ORKNEY'S new £1.5m abattoir complex at Halston near Kirkwall, is fully operational. Orkney Meat said yesterday it intended to promote a branded product with a number of major customers including supermarkets chains throughout the UK.

JAPAN'S rice crop this year is expected to be 10.7m tonnes or more, the Agriculture Ministry said.

PEANUT stocks held in U.S. commercial storage as of July 31 amounted to 753.0m lbs, compared to a revised 1,038.6m lbs a month earlier and 413.3m lbs a year ago.

MR BRIAN JEFFRIES has been appointed European director of the New Zealand Meat Producers Board from September 1 1982.

FRENCH wheat and barley deliveries this season are expected to rise and maize deliveries to fall from 1981-82 levels. The Grain Intervention Board, in its first official estimate of 1982-83 deliveries at 20.5m tonnes against 18m last season, barley at 6.3m against 6m and maize, 7.2m against 7.4m.

U.S. FARMERS will receive an estimated \$22m in advance deficiency payments soon after October 1. The early payments are to wheat, feedgrain, cotton and rice farmers—will represent 50 per cent of the expected deficiency payments for the 1983 crop and 70 per cent of the payments for this year's crop.

Further advance in tin market

By JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES advanced to new six-month highs on the London Metal Exchange yesterday. But other base metals were relatively flat to follow the surge in gold, by \$17.5 to \$416.5 a fine ounce—the highest level since mid-December.

Silver rallied in line with gold; the bullion spot price was raised by 14.45p to 459.05p a Troy ounce at the morning fixing. Free-market platinum was \$7.35 up at \$189.75 a Troy ounce—the highest level since the end of April.

Higher grade cash copper closed 5p higher at \$243 a tonne but the market ran out of steam in late trading. There was little consumer demand and in addition there were reports that China was seeking to take delivery of copper purchases from the U.S. and European refiners rather than from LME warehouses.

Cash tin closed \$50 up at \$7,425 a tonne. The market opened higher encouraged by another rise overnight in Penang taking the Straits price up by \$M0.21 to \$M 29.52 a kilo.

This second successive gain put Straits tin \$M0.37 above the International Tin Agreement "floor" of \$M 29.15 and provides further confirmation that the buffer stock of the International Tin Council is gradually establishing control of the market, as the export quotas begin to bite.

Offerings in Penang fell to 125 tonnes, against 233 tonnes previously, and are expected to remain low as the July/September period quotas have become exhausted.

In London, there is believed to be continued support buying by the buffer stock on a small scale, with additional support coming from speculative sources.

Danes attack German cod decision

By Hilary Barnes in Copenhagen

DANISH Fisheries Minister Mr Karl Bjornnes described the West German Government's decision to allow fishermen to catch 2,000 tonnes of cod off West Greenland, starting at the end of this month, as "totally unacceptable."

The EEC Commission has awarded Germany a cod catch quota of 10,000 tonnes off West Greenland. But in the Danish view the Germans can only begin to utilise the quota after negotiations on the EEC fisheries policy, which were stalled in July, are completed. The fisheries ministers are due to meet again on September 21.

Mr Bjornnes said the Germans seem to be trying to separate the Greenland fisheries issue from the rest of the EEC fisheries policy and to avoid the implications of the signature over Greenland fishing is particularly sensitive because of Greenland's current negotiations to leave the EEC with effect from 1984.

Dissatisfaction with EEC fisheries policy, on the part of the Greenlanders, is able to decide what should happen with the fish in their own waters, is one of the main reasons for the EEC's unpopularity in Greenland.

New rubber talks planned

By OUR COMMODITIES EDITOR

KUALA LUMPUR — Ministers of three main natural rubber producing states, Malaysia, Indonesia and Thailand, will meet here soon to discuss decisions reached at the Rubber Producers' Association meeting in London on September 6-7.

Prime purpose of the London talks will be to complete negotiations of the proposed new International Coffee Agreement, due to come into force from October 1982.

FARMER'S VIEWPOINT

A hit-and-miss harvest

MY MAIN harvest started with wheat on August 2—the earliest I have known since the drought of 1976. But since then it has deteriorated into a hit-and-miss affair and I grabbed what I could between the "fronts" predicted by the weather forecasters.

Not that their predictions were particularly reliable. It is now closing down the farm and going fishing just because Jack Scott and his friends say it is going to rain. I have reverted to my ancestors' techniques of looking at the weather and the barometer and hanging about until the combs can start.

Once I had got the wheat started, I persisted with every field as it got ripe, leaving the barley and oats to be gathered when I could. I considered the wheat about 25 years ago that gave up trying to grow them, but after a 20-or-so-year gap they seem to be thriving as if on virgin soil—but I shan't get carried away.

I tackled the oats after the wheat and had a good couple

of days. The crop was just right and yielded over 21 tonnes an acre—very good for spring oats. But it is a miserable crop to handle through a modern dryer as it won't run through the works as swiftly as barley and wheat. The oat acreage in Britain is falling, as there is not much of an outlet except for horses and Scotsmen. But oats can be fed whole to sheep, and if I cannot get my price my ewes will eat them.

Oats fit quite well into what might be called a rotation as they do not pass on the diseases which afflict wheat and barley. They also yield much better than they used to. This is partly due to improved varieties, but more particularly in my case because I have not grown them on my land for many years. Yields became so low that about 25 years ago that gave up trying to grow them, but after a 20-or-so-year gap they seem to be thriving as if on virgin soil—but I shan't get carried away.

Spring barley has not been offering every sound sample for their tests because the longer this weather goes on, the less likelihood there will be of anything but feed barley emerging from the combs.

For sound non-malting barley the obvious outlets will be the intervention stores for which 600,000 tonnes had been offered by the end of last week. A farmer should have a margin of £7-9p per tonne using this rather than the spot market. Intervention should also be used for wheat which can be stored for the rigours of the bread making tests. The cost is heavy for not £80 as I said some weeks ago. No one knows much about this test which appears to vary in EEC countries, but it is worth a try.

I would not venture more than a guess about the total UK harvest outcome. A promising start is being increasingly sabotaged by bad weather, especially in the western counties where much of the cereal exposition has been taking place.

John Cherrington

Cut in European beet crop forecast

By OUR COMMODITIES EDITOR

THE EUROPEAN sugar beet crop for the 1982-83 season will be marginally down on this year's but still high according to the first estimates from West German statistician F. O. Licht.

Licht put the 1982-83 European total at 30,965m tonnes raw value compared with a revised estimate total of 31,543 for the crop year 1981-82.

Of the total the EEC crop is forecast to fall some 1.84m tonnes to reach 14.41m. This reduction is largely offset by an increase forecast for the Soviet crop of 1.5m tonnes, to reach a total of 7.7m in 1982-83.

Producers meet over coffee pact talks

By OUR COMMODITIES EDITOR

COFFEE producers are holding a series of meetings to establish their positions before the International Coffee Organisation meets in London from September 6-7.

Prime purpose of the London talks will be to complete negotiations of the proposed new International Coffee Agreement, due to come into force from October 1982.

The lack of frost damage to the Brazilian crop this year means that Brazil is likely to take a tougher line in demanding an increased share of the world market at a time when

India jute industry at its gloomiest

By P. C. Mahanti in Calcutta

THE JUTE industry has never looked so gloomy with jute goods exports 47 per cent down in the first quarter of this year and July-end stocks of unsold jute at a record high of 111,000 tonnes, largely because of lower domestic consumption.

Stocks rose in a month when output fell by 4,000 tonnes to 53,000 tonnes and 15 June mills remain closed.

The industry claims that unless the Government considers the introduction of dual pricing for jute goods—a higher rate for the domestically-sold goods and lower one for exports—the industry will be in grave danger.

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LONDON OIL SPOT PRICES

Table of oil spot prices including Crude Oil, Gas Oil, and various grades of fuel oil.

GAS OIL FUTURES

Table of gas oil futures prices for various months from August to April.

BRITISH COMMODITY MARKETS

Table of British commodity prices for base metals, copper, tin, zinc, lead, and silver.

PRICE CHANGES

Table showing price changes for various commodities like metals, oil, and other goods.

AMERICAN MARKETS

Table of American market prices for metals, oil, and other commodities.

GOLD MARKETS

Gold rose \$17 to \$416.47 in the London market yesterday. It also opened at \$416.47 in the morning and \$417 in the afternoon. Gold fell to a low of \$409.10 and touched a peak of \$419.41.

LONDON FUTURES

Table of London futures prices for tin, copper, zinc, lead, and silver.

COFFEE

Reluctant a slightly weaker New York coffee market opened with marginal losses, reported Oaxaca Surinam selling market interest for forward positions, reports Gill and Oulif.

SOYABEAN MEAL

The market opened slightly higher on weaker opening, reports T. G. Palm Malaysian market in narrow ranges in lack-lustre trade.

WEDNESDAY'S closing prices

Table of Wednesday's closing prices for various commodities.

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GRAINS

The market opened slightly higher, but drifted lower in quiet conditions. Selling market interest for forward positions, reports Gill and Oulif.

INDICES

Table of financial indices including FTSE 100, FTSE 200, and other market indicators.

EUROPEAN MARKETS

Table of European market prices for various commodities.

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WORLD STOCK MARKETS

Share surges 13 more by 1pm

AS MORE investors rushed to take part in the market's historic rally, Wall Street surged further ahead in extremely heavy early trading yesterday.

The Dow Jones Industrial Average, by 1 pm, had forged ahead 12.94 net, to \$97.83, the highest level since the late 1920s.

Trading volume was already over the 100 million shares level by 1 pm, amounting to 101.52 million shares Wednesday's mid-session figure of 68.18m.

Expectations that the Discount Rate would soon be cut again has sparked off this latest upsurge in the market.

The market seems determined to show off any bad news, such as the announcement yesterday morning that Maoville Corporation has filed for bankruptcy under Chapter 11.

Energy and Technology stocks were particularly strong. These sectors started moving up on Wednesday after lagging behind the rest of the market the week before.

Atlantic Richfield rose \$2 to \$48. Union Oil California \$1 to \$48. Phillips 11 to \$28.15. Ashland 1 1/2 to \$27. Honeywell 1 1/2 to \$73.

Building supply companies are following news of the General Motors' plans to invest in Manville to \$24 and Armstrong World 1 to \$18, both in heavy trading.

Cities Service was the most active issue and put on 2 1/2 to \$47. The company late on Wednesday was not available for this edition.

desday accepted Occidental Petroleum's revised bid of \$55 a share.

THE AMERICAN SE Market Value Index was 7.34 stronger at 278.97 at 1 pm. Volume 7.68m shares.

Canada Markets in Canada moved ahead strongly yesterday morning in exceptionally heavy trading in unison with Wall Street.

The Toronto Composite Index rose 25.5 to 1,991.4 at noon. Oil and Gas 28.3 to 2,765.5. Gold and Silver 24.1 to 2,481.3 and Metals and Minerals 40.0 to 1,509.6.

Specialization that the Bundesbank was cutting the Lombard Rate by one point to 8 per cent, officially confirmed late in the session, sent shares mainly higher yesterday in fairly active trading. The Commerzbank index rose 6.9 to 679.8.

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CSF, which reported a smaller-than-expected 1981 consolidated net loss, gained FF9 to FF7 137 after being temporarily suspended with a day's limit rise.

Foreign buyers, given further encouragement by the overnight renewed Wall Street advance and the likelihood of another reduction in U.S. interest rates, continued to fuel a Blue Chip-led rally on the Tokyo market yesterday.

Expectations of another cut in the 2 1/2 per cent official discount rate were rife in the market. Traders said the U.S. Federal Reserve may lower the bank rate by at least one percentage point this time. Some estimated that the size of cut may be as large as 1 1/2 percentage points.

The market rate of profit-taking and moved ahead again in the late afternoon. The Nikkei-Dow Jones Average finished a further 26.76 ahead at 7,153.38 and the Tokyo SE Index 3.15 higher at 54,024. Trading was fairly active, volume reaching 880 million shares (280m).

Large industrial issues, such as Steels and Ecovy Electric Machine Makers, met good demand. Active foreign buying was detected for Nippon Steel, lifting the shares ¥5 to ¥144, despite news that it is suspending operations of two blast furnaces in response to falling demand, both domestic and foreign. Kawasaki Steel put on ¥5 to ¥137. Toshiba ¥12 to ¥236 and Kawasaki Heavy ¥5 to ¥269.

Motors, Light Electricals, Oils, issues related to Government public spending programmes, and Machine Tools were higher, but Precision Instruments turned easier, while Non-ferrous Metals and Optical Fibres also declined.

The measures include increased tax concessions on the purchase of shares and bonds, Wall Street's overnight advance also aided sentiment.

In higher Electricals, Thomson Gold shares renewed their advance in heavy turnover as the Bullion price approached its 1982 high. Heavyweight issues were up to \$4.40, stronger than President Reagan's \$3.75, while East Rand Proprietary put on \$1.10 to \$13.90.

Mining Financials were also strong. Anglo rose \$5 to \$84 and Anglo 60 cents to \$14.50. Diamond share De Beers recovered 35 cents to \$5.70, after a two-day fall of 48 cents on the halved interim dividend.

The market made a steadier showing early yesterday, following the recent fresh decline on continuing worries over the Colony's long-term future. However, the Properties sector declined late in the session following disappointing interim results from International City, a local joint-venture property company.

This further undermined sentiment elsewhere in the market, which closed mixed in easier overall, although selective bargain hunting continued to give some support to the index. The closing index again approached the 1,000 level. The index was finally a modest 608 lower at 1,005.92.

International City announced first-half net profits of HK\$35.3m, which compares with a prospectus forecast in May 1982 of HK\$500m for the full 1982 year. The share price declined in 59 cents, but subsequently recovered to 62 cents, off 2 cents on a balance.

Industrials closed on a mixed note, but Resources issues were inclined to gain ground, bolstered by the renewed advance by the Gold Bullion price. Wall Street's fresh buoyancy overtook and the buoyancy of Federal election.

All Ordinaries index put on 2.5 to 475.7. Metals and Minerals 6.5 to 358.0 and Oil and Gas 11.3 to 426.3.

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NEW YORK

Table of stock prices for various companies in New York, including ACF Industries, AMF, AR, etc.

Stock

Table of stock prices for various companies, including Columbia Gas, Combined Int, etc.

Stock

Table of stock prices for various companies, including GM, GM, GM, etc.

Stock

Table of stock prices for various companies, including Schlumberger, SCM, Scott Paper, etc.

Stock

Table of stock prices for various companies, including HCR, HCR, HCR, etc.

Stock

Table of stock prices for various companies, including AMCA Intl, Abitibi, Agri, etc.

Stock

Table of stock prices for various companies, including Bell Canada, BCP, BCP, etc.

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Table of stock prices for various companies, including AMCO, AMCO, AMCO, etc.

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Companies and Markets

LONDON STOCK EXCHANGE

Lower European interest rates revive flagging Gilts Equities follow Wall Street and 30-share rises 7.7

Account Dealing Dates Option First Declara- Last Account Dealings Dates...

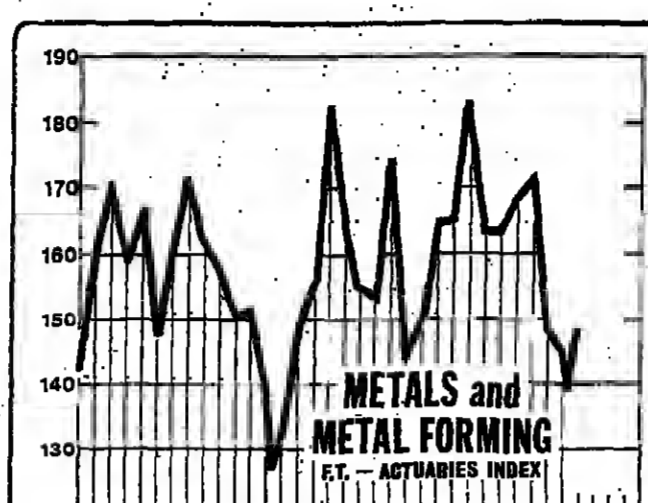
Lower European interest rates and stronger signals from the Bank of England to domestic clearing banks regarding base rates gave a midday boost yesterday to flagging London stock markets.

Home Banks in line The major clearing banks passed a quiet session as investors awaited the imminent base lending rate reductions.

which were allotted in full at 94, begin this morning. The equity sectors were guided by Wall Street and the latter's Metropolitan upsurge yesterday ensured a strong close in London.

Illustrating the trend, the FT 30-share index was 2.3 up at the 10.00 am calculation, but only 1.5 higher an hour later. Thereafter, this measure improved progressively to close 7.7 up at the day's best of 576.1.

Business in ICI remained thin, but the price edged up a couple of pence to 282p. Further support lifted Colgate 3 to a 192p peak of 145p, while Scottish Agricultural Industries gained the same amount to 191p following the interim results.



factory first-half figures, and disorganised activity about overseas cement competition. Blue Circle advanced to 430p before closing a further 14 higher at 422p.

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Street encouraged a late spurt in the leaders which closed otherwise quiet session at the day's best. BTR rose 10 to 332p as did Glaxo to 700p, while BOC put on 5 to 189p and Beecham gained 4 to 289p.

The tone in Properties improved the leaders were able to make modest progress, Land Securities rising 4 to 285p and NEPC 3 to 187p.

Marked sharply higher at the opening in sympathy with Transatlantic energy stocks following reports that Iraq had bombed the Iranian oil installation at Kharg Island, and cancelled initial gains before moving ahead again in after hours' dealings on early Wall Street indications.

specular, encountered renewed speculative buying and closed 5 to the good at 97p. Golds surge ahead South African Golds recouped all of the losses sustained during the previous two days as the bullion price rallied strongly in overnight U.S. markets and continued to gain ground in London prior to closing a net 87.5p stronger at 9416.5 an ounce, its highest closing level since mid-December last year.

The share market surged ahead from the outset with widespread international buying interest only meeting modest selling from the Continent, notably Paris. A minor bout of profit-taking around midday soon faded and prices displayed a fresh burst of strength in the afternoon's trading when American interest was reported. Consequently closing levels were usually the day's best and the Gold Index Index advanced 16.3 to 314.2.

Dealers reported a much improved business in Traded Options where 1,735 contracts were done. Oil shares attracted most of the attention with British Petroleum recording 345 calls; the October 280s advanced 9 to 20p, while the October 300s rose 5 to 11p. Shell recorded 338 calls with the October 390s improving 10 to 30p.

FINANCIAL TIMES STOCK INDICES table with columns for Govt Secs, Fixed Int, Industrial, etc.

HIGHS AND LOWS table with columns for Govt Secs, Fixed Int, Industrial, etc.

A. G. Stanley wanted Leading Stores took on a firmer stance although business again left much to be desired.

Turner & Newall weak Miscellaneous Industrials were featured by a late bear raid in the recently much-troubled Turner & Newall which slumped to a new 1982 low of 28p before rallying to close a net 4 down on the day at 29p.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Thurs Aug 26 1982, and Year Ago.

Table with columns for FIXED INTEREST, Thurs Aug 26 1982, and Year Ago.

NEW HIGHS AND LOWS FOR 1982

Table with columns for NEW HIGHS (65), NEW LOWS (25), and various company names.

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

Table with columns for COUNTRY, CURRENCY, VALUE OF DOLLAR, and various international currencies.

RECENT ISSUES

Table with columns for EQUITIES, Issue Price, and Stock names.

FIXED INTEREST STOCKS

Table with columns for Issue Price, Stock names, and interest rates.

"RIGHTS" OFFERS

Table with columns for Issue Price, Stock names, and rights offers.

ACTIVE STOCKS

Table with columns for Stock names, price changes, and active stocks.

WEDNESDAY'S ACTIVE STOCKS

Table with columns for Stock names, closing prices, and Wednesday's active stocks.

Financial Times Friday August 27 1982. Various legal notices and disclaimers.

CURRENCIES and MONEY

\$ & £ firm

Dollar was generally soft in early foreign exchange trading, but once again showed a much firmer trend in late European trading. Sterling was unchanged against the dollar, but very firm against Continental currencies...

Although the interest rate reductions were in line with market expectations, the dollar rose to DM 2.4363 from DM 2.4218 at the fixing, and the pound to DM 4.28 from DM 4.2750. The pound rose to DM 4.28 against the D-mark...

THE POUND SPOT AND FORWARD. Table with columns: Day's spread, Close, One month, % Three months, % 6 months.

THE DOLLAR SPOT AND FORWARD. Table with columns: Day's spread, Close, One month, % Three months, % 6 months.

CURRENCY MOVEMENTS. Table with columns: Bank of England, Morgan Guaranty, August 26, % change.

OTHER CURRENCIES. Table with columns: Country, Rate, % change.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing ECU amounts against ECU, % change from central rate, % change adjusted for divergence, Divergence limit.

EXCHANGE CROSS RATES

Table with columns: Aug. 26, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canada Dollar, Belgian Franc.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 26)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars, bid 10/11/16, offer 10/18/16.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Aug. 26, Starting, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-mark, French Franc, Italian Lira, Yen, Danish Kroner.

MONEY MARKETS

Bank cuts dealing rates again

UK clearing bank base lending rate 11 per cent (since August 17 and 18). The Bank of England sent another signal on lower interest rates to the clearing banks yesterday, when it cut its per cent off money market bill dealing rates for the third day running...

EUROCURRENCIES

Rates firm

French franc interest rates remained very firm in the Euro-currency market, reflecting concern about possible moves by the French authorities over the weekend with regard to membership of the European Monetary System...

MONEY RATES

Table with columns: NEW YORK, GERMANY, FRANCE, JAPAN, Discount rate, Call (unclear), Bill discount (three-month).

LONDON MONEY RATES

Table with columns: Aug. 26, Starting, Sterling Certificate of deposit, Interbank, Local Authority deposits, Finance House Deposits, Discount, Company Market Deposits, Treasury Bills, Eligible Bills, Fine Trade Bills.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS. Large table listing various trust services, including Abbey Unit Trst. Mgrs., Abbey Unit Trst. Mgrs. (2), Abbey Unit Trst. Mgrs. (3), Abbey Unit Trst. Mgrs. (4), Abbey Unit Trst. Mgrs. (5), Abbey Unit Trst. Mgrs. (6), Abbey Unit Trst. Mgrs. (7), Abbey Unit Trst. Mgrs. (8), Abbey Unit Trst. Mgrs. (9), Abbey Unit Trst. Mgrs. (10), Abbey Unit Trst. Mgrs. (11), Abbey Unit Trst. Mgrs. (12), Abbey Unit Trst. Mgrs. (13), Abbey Unit Trst. Mgrs. (14), Abbey Unit Trst. Mgrs. (15), Abbey Unit Trst. Mgrs. (16), Abbey Unit Trst. Mgrs. (17), Abbey Unit Trst. Mgrs. (18), Abbey Unit Trst. Mgrs. (19), Abbey Unit Trst. Mgrs. (20), Abbey Unit Trst. Mgrs. (21), Abbey Unit Trst. Mgrs. (22), Abbey Unit Trst. Mgrs. (23), Abbey Unit Trst. Mgrs. (24), Abbey Unit Trst. Mgrs. (25), Abbey Unit Trst. Mgrs. (26), Abbey Unit Trst. Mgrs. (27), Abbey Unit Trst. Mgrs. (28), Abbey Unit Trst. Mgrs. (29), Abbey Unit Trst. Mgrs. (30), Abbey Unit Trst. Mgrs. (31), Abbey Unit Trst. Mgrs. (32), Abbey Unit Trst. Mgrs. (33), Abbey Unit Trst. Mgrs. (34), Abbey Unit Trst. Mgrs. (35), Abbey Unit Trst. Mgrs. (36), Abbey Unit Trst. Mgrs. (37), Abbey Unit Trst. Mgrs. (38), Abbey Unit Trst. Mgrs. (39), Abbey Unit Trst. Mgrs. (40), Abbey Unit Trst. Mgrs. (41), Abbey Unit Trst. Mgrs. (42), Abbey Unit Trst. Mgrs. (43), Abbey Unit Trst. Mgrs. (44), Abbey Unit Trst. Mgrs. (45), Abbey Unit Trst. Mgrs. (46), Abbey Unit Trst. Mgrs. (47), Abbey Unit Trst. Mgrs. (48), Abbey Unit Trst. Mgrs. (49), Abbey Unit Trst. Mgrs. (50), Abbey Unit Trst. Mgrs. (51), Abbey Unit Trst. Mgrs. (52), Abbey Unit Trst. Mgrs. (53), Abbey Unit Trst. Mgrs. (54), Abbey Unit Trst. Mgrs. (55), Abbey Unit Trst. Mgrs. (56), Abbey Unit Trst. Mgrs. (57), Abbey Unit Trst. Mgrs. (58), Abbey Unit Trst. Mgrs. (59), Abbey Unit Trst. Mgrs. (60), Abbey Unit Trst. Mgrs. (61), Abbey Unit Trst. Mgrs. (62), Abbey Unit Trst. Mgrs. (63), Abbey Unit Trst. Mgrs. (64), Abbey Unit Trst. Mgrs. (65), Abbey Unit Trst. Mgrs. (66), Abbey Unit Trst. Mgrs. (67), Abbey Unit Trst. Mgrs. (68), Abbey Unit Trst. Mgrs. (69), Abbey Unit Trst. Mgrs. (70), Abbey Unit Trst. Mgrs. (71), Abbey Unit Trst. Mgrs. (72), Abbey Unit Trst. Mgrs. (73), Abbey Unit Trst. Mgrs. (74), Abbey Unit Trst. Mgrs. (75), Abbey Unit Trst. Mgrs. (76), Abbey Unit Trst. Mgrs. (77), Abbey Unit Trst. Mgrs. (78), Abbey Unit Trst. Mgrs. (79), Abbey Unit Trst. Mgrs. (80), Abbey Unit Trst. Mgrs. (81), Abbey Unit Trst. Mgrs. (82), Abbey Unit Trst. Mgrs. (83), Abbey Unit Trst. Mgrs. (84), Abbey Unit Trst. Mgrs. (85), Abbey Unit Trst. Mgrs. (86), Abbey Unit Trst. Mgrs. (87), Abbey Unit Trst. Mgrs. (88), Abbey Unit Trst. Mgrs. (89), Abbey Unit Trst. Mgrs. (90), Abbey Unit Trst. Mgrs. (91), Abbey Unit Trst. Mgrs. (92), Abbey Unit Trst. Mgrs. (93), Abbey Unit Trst. Mgrs. (94), Abbey Unit Trst. Mgrs. (95), Abbey Unit Trst. Mgrs. (96), Abbey Unit Trst. Mgrs. (97), Abbey Unit Trst. Mgrs. (98), Abbey Unit Trst. Mgrs. (99), Abbey Unit Trst. Mgrs. (100).

INSURANCES

Table listing various insurance companies and their products, including Crown Life, Abbey Life Assurance Co. Ltd., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table listing insurance and overseas managed funds, including Life Assur. Co. of Pennsylvania, Norwich Union Insurance Group, and various international funds.

Table listing offshore and overseas managed funds, including Granville Investment Fund, Guinness Mutual Int. Fund, and various international investment funds.

NOTES
Prices are in pence unless otherwise indicated and have been rounded to the nearest pence.

Espley-Tyas

FOR PROPERTY & CONSTRUCTION

We cover the country London Leeds Birmingham 021-454 9881

FT SHARE INFORMATION SERVICE

LOANS—Continued

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Includes sub-sections for Financial and Building Societies.

BANKS & H.P.—Cont.

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists various bank shares.

CHEMICALS, PLASTICS—Cont.

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists chemical and plastic companies.

ELECTRICALS—Continued.

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists electrical companies.

ENGINEERING MACHINE TOOLS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists engineering and machine tool companies.

HOTELS AND CATERERS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists hotels and caterers.

INDUSTRIALS (Misc.)

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists various industrial companies.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists British funds.

Five to Fifteen Years

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists funds with 5-15 year maturities.

Over Fifteen Years

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists funds with over 15 year maturities.

Index-Linked & Variable Rate

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists index-linked and variable rate funds.

INT. BANK AND O'NEALS GOVT. STERLING ISSUES

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists international bank and government sterling issues.

CORPORATION LOANS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists commonwealth and African loans.

FOREIGN BONDS & RAILS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists foreign bonds and rails.

AMERICANS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists American stocks.

BEERS, WINES AND SPIRITS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists building, timber, and road companies.

DRAPERY AND STORES

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists drapery and store companies.

ELECTRICALS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists electrical companies.

FOOD, GROCERIES, ETC.

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists food, grocery, and other companies.

CHEMICALS, PLASTICS

Table with columns: High, Low, Stock, Price, Div, Yield, etc. Lists chemical and plastic companies.

U.S. Corporate Information 01-236 9502. Financial Information... and much more now available by return. Includes an image of the Statue of Liberty.

هكذا من الامم



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

LEISURE—Continued

Table of leisure-related stocks such as British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

PROPERTY—Continued

Table of property-related stocks including various real estate and construction companies. Columns include stock name, price, and percentage change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

OIL AND GAS—Continued

Table of oil and gas stocks including various energy and petrochemical companies. Columns include stock name, price, and percentage change.

DAIWA BANK advertisement with logo and contact information for Osaka, London, and Frankfurt branches.

MINES—Continued

Table of mining stocks categorized by region: Central African, Australian, and Tins. Columns include stock name, price, and percentage change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including various automotive and aerospace companies. Columns include stock name, price, and percentage change.

SHIPPING

Table of shipping stocks including various maritime and logistics companies. Columns include stock name, price, and percentage change.

SHOES AND LEATHER

Table of shoes and leather stocks including various footwear and leather goods companies. Columns include stock name, price, and percentage change.

SOUTH AFRICANS

Table of South African stocks including various companies from that region. Columns include stock name, price, and percentage change.

TEXTILES

Table of textile stocks including various clothing and fabric companies. Columns include stock name, price, and percentage change.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including various media companies. Columns include stock name, price, and percentage change.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including various media and service companies. Columns include stock name, price, and percentage change.

TOBACCO

Table of tobacco stocks including various tobacco companies. Columns include stock name, price, and percentage change.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various financial and real estate companies. Columns include stock name, price, and percentage change.

OVERSEAS TRADERS

Table of overseas trader stocks including various international trade companies. Columns include stock name, price, and percentage change.

PLANTATIONS

Table of plantation stocks including various agricultural and land management companies. Columns include stock name, price, and percentage change.

TEAS

Table of tea stocks including various tea companies. Columns include stock name, price, and percentage change.

MINES

Table of mining stocks including various energy and petrochemical companies. Columns include stock name, price, and percentage change.

INSURANCES

Table of insurance stocks including various insurance and financial companies. Columns include stock name, price, and percentage change.

LEISURE

Table of leisure-related stocks such as British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

OIL AND GAS

Table of oil and gas stocks including various energy and petrochemical companies. Columns include stock name, price, and percentage change.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks including various companies from those areas. Columns include stock name, price, and percentage change.

OPTIONS

Table of options stocks including various financial and real estate companies. Columns include stock name, price, and percentage change.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

